



WorldHorseWelfare



**Report of the Trustees
and Financial Statements**
31 DECEMBER 2020

www.worldhorsewelfare.org

Registered charity no. 206658 and SC038384

WORLD HORSE WELFARE
REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
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WORLD HORSE WELFARE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The World Horse Welfare Trustees present their report, together with the audited accounts of World Horse Welfare, for the year ended 31 December 2020. 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 102 effective 1st January 2019.

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 19. Its principal places of business and professional advisors are listed on page 39.

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 two subsidiaries which are not included in these financial statements: ILPH LTD, company number 2486047, which ceased to trade on 31 December 2005, and World Horse Welfare Ltd, company number 11029005, which was incorporated on 24 October 2017 and has not carried out any transactions.

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, employees and supporters through the Charity's newsletter. 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 14 Trustees who served throughout the year. Two new Trustees were appointed on the 1st January 2020, and one on the 1st January 2021.

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

The Charity takes a zero-tolerance approach to bullying, harassment, sexual exploitation and abuse and has implemented its safeguarding policy, which includes partner organisations in international projects. The Charity protects vulnerable people and follows both the Direct Marketing Association and the Institute of Fundraising's Code of Practice on safeguarding. In practice, if a staff member suspects a supporter is vulnerable, the Charity may return their donation and would not contact them again requesting financial support. The Charity may decide to stop all communication to the supporter.

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The Charity is a member of the Fundraising Regulator. In 2020 World Horse Welfare received no fundraising related complaints in line with the Charity's published complaints policy.

Management

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

- General Purposes and Finance Committee – meets three times a year and is primarily responsible for reviewing the financial affairs of the Charity and making recommendations to Council. This includes considering the strategic plan, annual budget and performance against budget, management of the Charity's investments, and the annual accounts and report of the auditors. The Committee also acts as a sounding board to consider proposals from the Executive prior to presentation to Council.
- International Committee – meets twice a year and is charged with overseeing the Charity's international work, considering future approaches and reviewing progress on existing projects.
- Communications and Fundraising Committee – meets three times a year and assists the Trustees in formulating the Charity's communications and fundraising strategy and ensuring that it matches its aims and objectives.
- Veterinary Advisory Committee – meets twice a year to advise the Trustees and Executive on all veterinary aspects of the Charity's work, to receive updates on developments in equine veterinary knowledge and to consider requests for equine welfare grants. The Committee is comprised chiefly of veterinarians.
- Nominations Committee – set up in 2020 for the purpose of proposing candidates as trustees for the Charity, and when it becomes necessary, to propose a new Chairman of the Charity.

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 2021.

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

Working overseas

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

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

World Horse Welfare plans for 2020

To assist in the delivery of the charitable objectives, the plans for 2020 were:

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

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1. To refine, identify and select key hard to reach target groups and explore practical options to gain their interest and trust
2. To collate evidence on the lack of provision or enforcement of key equine legislation issues in England and Wales
3. To review and enhance the user experience of the rehoming process and to review associated communication streams with all applicants and rehomers
4. To successfully implement the UK Aid Match project in Haiti by finalising the detailed annual plan with UKAM and agreeing a realistic schedule
5. To secure European Commission and Member State support for translation and dissemination of the guides for the keeping, caring, training and using of equines as endorsed by EU Animal Welfare Platform
6. To promote the concept of a social licence to operate in equestrian sport through the FEI, BEF and British Racing's Horse Welfare Board.

Activities carried out during the year

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

UK

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

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 having suffered abuse.

At the year-end 2,019 (2019: 1,918) horses were in homes approved by the Charity. In 2020, 285 (2019: 292) new horses were taken into care, 147 (2019: 152) were returned from previous loan homes and 356 (2019: 310) horses were successfully re-homed. The Charity continues to see large group admissions to the Centres making up a considerable proportion of cases being admitted.

As the statistics above show the centres have managed to continue admitting and rehoming horses during the COVID-19 crisis. Field Officers have been able to attend emergency welfare cases and also carried out video home checks of horses that are out with rehomers. The use of video communication has been a positive development for the Charity and one that will continue after the pandemic is over.

Education

In June, 'Welfare Wednesday' webinars were launched and ran fortnightly for the rest of the year. These covered a range of educational topics from colic and laminitis to skin conditions and pain recognition. They have been well received and because of this will be continued throughout 2021. A number of blogs have been generated from these webinars and added to the Charity's website, along with recordings of the events themselves, in order to enhance the Charity's education and advice provision.

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In May, the inaugural Strangles Awareness Week was run, which was the first time a collaborative awareness campaign had been undertaken between organisations. This attracted considerable engagement, and findings will be used to improve the 2021 offering.

A multi-organisation group has been established to look at equine weight management issues. Various activities are planned by this group and research has been completed during 2020 looking at the pros and cons of several different alternative grazing systems, with a report and two-page summary due to be made public early in 2021.

Other planned educational activities, such as various events and research, have been delayed due to COVID-19 but will hopefully be able to resume in 2021.

International

During a year when every aspect of the international programme was affected by restrictions around the COVID-19 virus, the Charity worked in 17 countries in 2020 and implemented 17 projects (2019: 16 countries and 17 projects). These projects provided direct help to a total of 7,640 (2019: 14,931) equids and 5,369 (2019: 9,440) owner/users. There are now 181 (2019: 254) trained service providers actively linked to the Charity's overall programme, covering the 300 (2019: 311) communities where the Charity is currently operating. The number of horses helped indirectly by equine care providers trained through the Charity's programme decreased in 2020 to 45,544 from 73,615 in 2019.

Measures put in place to restrict the spread of COVID-19 affected all projects in the international programme to differing extents, but all were significant. In countries such as Honduras travel out of people's home was allowed only once every two weeks, making it impossible for partner organisations to visit and support equid owners. In Haiti, the regulations were less strict allowing teams to visit owners and their equids if protocols were observed. In Central America, a system of virtual engagement was set up using mobile telephone networks where advice and support was provided to owners either through phone conversations or through "webinars". The success of this led to initiatives where training of service providers was continued using similar methods. The teams presented 11 webinars using the Zoom platform on subjects to do with equid health and welfare.

A total of 366 viewers were registered and attended the sessions, made up of 38% veterinarians, 27% students, 11% government officials, 7% horse owners, 6% NGO staff and 7% other attendees. The majority of attendees viewed five or more of the webinars. This was taken as an indication that the use of this-type of intervention was an effective way of providing training to specific groups.

The government in Nicaragua did not put any COVID-19 related regulations in place but the decision was taken to restrict operations in a similar way to those in other countries, to protect both the project staff and the beneficiaries. However, there were calls for the continuation of training activities by government (Ministry of Agriculture) and service providers who wished to complete training courses. This was facilitated by carrying out strict risk assessments and developing mitigation measures to reduce the risk of transmission of the virus. This process was used several times over the year in Nicaragua and in other countries as restrictions were eased. Across the whole of the programme the opportunity was taken to provide support to increase the capacity of partner

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organisations to take on more of planning and day-to-day responsibilities of implementing projects. This will give the International Programme Officers and the Regional Coordinators more time and scope to concentrate on other strategic priorities, including influencing.

Issues related to COVID-19 severely affected the ability of equid owners to use their animals in income generating activities, but they still had to feed and care for their equids. In several countries the programme initiated emergency intervention type projects to assist owners. These usually involved supporting partner organisations to use project funds to purchase feed for equids in their communities. In Zimbabwe the Regional Coordinator worked with the Charity's partner, VAWZ, to work in collaboration with an International Rescue Committee (IRC) project and provide hay to 151 farmers to feed about 700 donkeys using Charity funds. This provided significant help to donkey owners in the project area but also started a relationship with a major international aid organisation and made them and the local livestock department aware of the needs of working equids.

To allow for better planning for interventions related to COVID-19 a survey of the effects of the pandemic on the welfare of equid owning communities was developed and implemented. Use was made of software that allowed people across the international programme to gather and record data on phones or tablets and feed it to a database that is immediately accessible to the team in the UK. There were over 1,500 responses to the survey and evaluation of the methodology and analysis of the data is on-going.

The Charity worked with the partners in the International Coalition on Working Equids (ICWE) to address outbreaks of equine disease in South East Asia and Nepal. The coalition worked with the World Organisation for Animal Health (OIE) to provide materials on the indicators for recognising and measures to prevent infection from African Horse Sickness (AHS) following the outbreak in Thailand. A team from the Charity's partner organisation in Cambodia, Cambodia Pony Welfare Organisation (CPWO), obtained special permission to break lockdown regulations and travel to the border areas to provide support to equid owners. A similar campaign was undertaken by ICWE partners in Nepal where Glanders was discovered in equids in the Terai region near to the India border. Support was provided to Animal Nepal who worked with OIE to address the issue, which is still on-going.

The UK AID Match (UKAM) project has been implemented since late March 2020 and completed its third quarter at the end of December. Despite the adverse political and security situation and restrictions around COVID-19 the project is on schedule in terms of activities implemented. A project manager was recruited in March, just after the agreement with UKAM was signed. The project team then started to visit the Kensington region, to recruit community-based equine advisors and inform the local authorities about the project and secure their support. During this phase, the team became involved in activities to inform the local communities about COVID-19 and provide guidance on how to reduce infection rates. A total of 700 equid owners were enrolled and training activities on welfare friendly equid management have been on-going. Due to travel restrictions direct support from the UK and other parts of the region has not been possible but management advice has been provided from the UK via Zoom and some training has been provided to in-country trainers using webinars.

The UK based team, like most of the UK based office staff, have been working from home, with only occasional face-to-face meetings when circumstances allowed. No projects have been visited to

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monitor the situation and provide management support since March. However, this has provided the opportunity to learn new ways of working to be able to provide more effective support. Regular on-line meetings with the Regional Coordinators and the UK based team have built a programme management group that now calls on a wide range of experience that can be easily shared and applied across the programme. This has led to setting up a regional approach to learning and influencing activities which should make them more relevant and therefore successful.

Campaigning

The Charity's campaigning activity in 2020 was significantly impacted by COVID-19, however good progress was made in shaping future campaigns and influencing policy, and opportunities arose in the UK and the EU to end the long-distance transport of horses for slaughter.

UK

The Charity continued its campaigns early in 2020, securing Parliamentary questions on equine welfare concerns including the need to license equine welfare organisations and protect equine welfare within the UK's new trading relationship with the EU. A planned reception in Westminster had to be cancelled due to COVID-19, and the Charity's campaigns were put largely on hold while the government's COVID-19 response was prioritised. Some activity was possible: the Charity continued to support the campaign for increased sentences for animal cruelty in England (in which 4,800 people participated), and worked with other equine welfare organisations to support Strangles Awareness Week through virtual promotions in the first week of May, as in-person events had to be cancelled.

The Charity worked with Defra on production of guidance for horse owners on caring for their animals during COVID-19 restrictions, and successfully worked with Defra and other charities to introduce protocols to resume the rehoming of animals in May. Also in May, in association with the Association of Dogs and Cats Homes (ADCH), the Charity led efforts to conduct a survey of equine rescue organisations through the National Equine Welfare Council (NEWC) to determine the impacts of COVID-19 on the sector, and conduct a follow up survey in November. Both surveys revealed the equine welfare sector to be significantly impacted by COVID-19, both financially and operationally. The Charity brought these concerns to government, meeting with Defra regularly and also with Ministers, along with CEOs from the other national equine charities in the UK. With six other equine welfare charities, the Charity published an update on the 'horse crisis' in a new report on 'Britain's Horse Problem,' highlighting the challenges facing the sector and recommendations for government, landowners, enforcement agencies and equine owners as to what they can do to help address systemic problems and the challenges posed by COVID-19.

The Charity led on drafting a number of British Horse Council submissions, including on a proposed Equine Health and Welfare Pathway, the equine sector's response to the Animal Welfare Committee's report on the impact of COVID-19 on animal welfare and a response to the UK Government's consultation on long-term plans for the UK border. The Charity also embarked on responding to welfare during transport consultations launched late in the year in England & Wales and Scotland, including a proposed ban on export for slaughter from England and Wales.

The Charity achieved its objective to collate evidence on the lack of provision or enforcement of key equine legislation issues in England and Wales by producing a spreadsheet containing the results of

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FOI requests from local authorities. A workshop was also conducted with field officers to help determine what changes the Charity should seek to improve enforcement, and these have been incorporated into the Charity's campaign agenda.

A series of workshops was conducted with field officers and the public affairs team to identify and select target groups most in need of horse care education and advice, but hardest to reach and influence, and explore practical options to gain their interest and trust. Communities were identified and prioritised, and an initial plan was put together to trial a small-scale education outreach project aimed at children/youths in partnership with various professional bodies. However, this is currently on hold due to COVID-19 restrictions. Another project to gather evidence and partners to work with mentally or emotionally challenged owners has been prioritised.

The Charity continued to work with the British horse sector and Eurogroup for Animals to influence appropriate welfare and safety provisions for the movement of equines in the UK's new relationship with the EU.

EU

Activity in EU policy continued at pace throughout the year with developments in the Charity's responsible ownership, welfare in transport and welfare at slaughter agendas. COVID-19 provided the opportunity for the Charity to highlight what the EU can and should provide to better safeguard equine welfare in the wake of COVID-19 at a virtual meeting of the European Parliament Intergroup on the Welfare and Conservation of Animals in July.

The new European Commission's agenda to improve animal welfare sparked a series of consultations to which the Charity responded, including: the Fitness Check roadmap launched to evaluate the effectiveness of current EU animal welfare legislation; evaluation of the EU 2012-15 Animal Welfare Strategy; adapting to Climate Change where the Charity highlighted the key role equines play as 'Green Assets' to develop a sustainable agriculture policy in the EU; pre & post-slaughter inspections for horses; horse passport medical information; an evaluation of the efficiency and effectiveness of current country of origin labelling; and the EU's Farm to Fork Strategy Roadmap.

The final report on the EU's new Farm to Fork Strategy was launched committing to reviews of the transport and welfare at slaughter regulations, something for which the Charity had campaigned for, for over a decade. The Charity informed the equine portion of a Eurogroup report produced to influence policymakers on the deficiencies of current transport legislation and recommendations for improved laws, and worked to produce its own in-depth report which was still being finalised at the end of the year.

The guidelines on responsible ownership for horses and donkeys, and their factsheets, were successfully produced and endorsed by the EU Platform on Animal Welfare, with EC agreeing to publish them on their website. The Charity played a leading role in enabling their translation and dissemination, with Spanish, German, Danish, Greek and Romanian translations being made available and disseminated through various channels in Member States. French, Portuguese and Polish translations are being finalised and other languages are being still being worked on.

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International

Along with The Donkey Sanctuary, the Charity launched the Working Animals Alliance as a platform for a variety of stakeholders to help raise the awareness of the contributions of working animals to the Sustainable Development Goals and the need for policymakers to consider their health and welfare in their plans. The Alliance was launched with two events at United Nations (UN) Forums: at the UN High Level Political Forum, supported by Senegal and the Food and Agriculture Organisation (FAO), and another event at New York Climate Week, during the UN General Assembly. Both virtual events were well attended online and reached new international audiences. The Charity also created a website and two videos to help promote the alliance.

The Charity continued to play a key role in the International Coalition for Working Equids (ICWE) and the International Coalition for Animal Welfare (ICFAW) although, activities for these coalitions were impacted by COVID-19.

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. 4 awards were made in 2020 (2019: 5). Due to COVID-19 4 out of 5 projects supported in 2019 have been completed and one out of 4 projects in 2020 have been completed. These will be completed when restrictions allow and could impact the number of awards that are able to be made for 2021.
- Veterinary grants. Each grant directly relates to the Charity's core activities. Each application is considered by the Veterinary Advisory Committee before consideration and approval by the Council. There were 4 awards running through 2020 (2019: 2). The two new projects were: a 1-year project with University of Milan on the validation of Qualitative Behaviour Assessment (QBA) for the evaluation of horse behaviour during loading for transport and a 4-year project with the Royal Veterinary College on developing an ethical framework tool for use in equestrian sport.
- The International Small Grants Scheme is aimed at encouraging local organisations to become involved in working equid issues and enables the Charity to investigate potential new projects. In 2020 it was decided that support of small organisations was of particular importance and five grants (2019: 1) totalling £20.7k were awarded to: Nyemovec and Mwamfumba both in Zambia; Arusha Society for Protection of Animals and Meru Animal Welfare Organisation both in Tanzania and amaTrac from Eastern Cape in South Africa. All these organisations work in rural communities where working equids play an important role in livelihood systems.

Charity relationships

The Charity has a Memorandum of Understanding with the Fédération Equestre Internationale (FEI) and the International Horse Sports Confederation (IHSC). It is also a member of the British Equestrian Federation, Eurogroup for Animals, European Horse Network, National Equine Welfare Council (NEWC), Horse Scotland, the International Coalition for Working Equids (ICWE), the International Coalition for Animal Welfare (ICFAW), the Working Animal Alliance and the

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Fundraising Regulator. The Charity has representation on a number of welfare committees, Defra and other devolved administration stakeholder groups, BEVA committees, the British Horse Council, the National Equine Forum Organising Committee and attends meetings of the British Horseracing Authority Welfare Committee on a regular basis as well as ad hoc meetings throughout the year.

Operationally the Charity works closely with a wide range of organisations, including the RSPCA and other equine charities in the UK, Animal Nepal, Fundacion Para La Capacitacion y Asistencia Equina en Panama (FUCAEP) in Panama, Cambodia Pony Welfare Organisation, Costa Rica Equine Welfare, Fundación Arrieros Colombia (FAC) in Colombia, The Cuban Association for Veterinary Medicine (ACMV) and Flora y Fauna in Cuba, Servicios de Apoyo en Bienestar Equino (SABE) in Guatemala, Universidad Comprometidos Con La Excelencia (CES), Equinos de Honduras (EQUHS), Fondation Quatre Pattes in Haiti, Desarrollo Comunitario Sociedad Anonima (CDC-NICSA) in Nicaragua, Universidad Autonoma Benito Juarez de Oaxaca (UABJO) in Mexico, National University of Lesotho, Ecole Inter-Etats des Sciences et Medicine Veterinaires de Dakar (EISMV de Dakar) in Senegal, Palestinian Wildlife Society (PWLS) on the West Bank, the Cart Horse Protection Association in South Africa, Veterinarians for Animal Welfare Zimbabwe (VAWZ) and World Vision Zimbabwe.

The Charity is a member of Together for Animals a consortium of now four charities, following the closure of the Animal Health Trust (with the Blue Cross, SPANA and Mayhew Animal Home) promoting payroll giving. In 2020 the Charity received £26.5k (2019: £126k).

Communications

Communications activity over the year was significantly impacted by COVID-19, with charity and sport events cancelled and audiences and media focussed on the changed world around them. The Charity pivoted its efforts toward increased online communications with a focus on providing information, advice and support and serving as a voice for the impact of COVID-19 on the equine welfare sector to the media.

Media

The Charity attracted a total of £3 million in media coverage, an average of £250k each month across a range of international, national, local and specialist media. The impact of COVID-19 on charities, including the record stocking density at the Charity's centres at the start of the first lockdown, featured in the Sunday Telegraph and online. Capitalising on the public mood, the story of a foal named by the Charity's supporters after veteran and fundraiser Captain Tom was picked up widely by regional, equine and national press and TV including ITV Anglia, The Daily Telegraph, Mail online, AOL news and even unusual outlets such as Yahoo (India) and GK Men online.

Stories on major welfare cases still attracted attention outside of the equine media, with the Charity's multi-agency work on the Wellingborough rescue and efforts with an owner to reduce uncontrolled breeding in a herd in Cambridgeshire featuring on BBC regional television. The Charity's conference was well-reported in equine media and beyond in farming publications as well as in The Daily Telegraph. As racing temporarily resumed, the Charity's comments on increased fatalities at racing at Southwell were featured on the BBC and ITV.

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Social media, email and website

The Charity continued to grow its reach across its four social media channels in 2020. Facebook likes rose 22k to almost 208k during the year, and its Twitter following increased to just over 38k. Instagram following showed a healthy rise over the year from 17.5k to almost 21k. YouTube views rose from 27.5 million to over 29 million.

As the government first imposed movement restrictions due to COVID-19, the Charity provided guidance for horse owners on its website and promoted this via social media. Promotion of rehoming continued throughout to help find homes for the record number of horses in centres to make space for others in need.

During a year in which audiences were in a state of almost perpetual lockdown, the Charity ramped up the frequency of its email communications, providing supporters with weekly updates featuring news and information from across the Charity. For the first time, rehomers also received weekly emails highlighting relevant horse care information and advice. The user experience of the Charity's rehoming process was reviewed and a new, streamlined and tailored rehoming process and online application form was developed. The associated communication streams with rehomers was also reviewed, through a survey of rehomers and interviews with the Charity's farms and rehoming officers, to help plan development of updated resources.

Fortnightly Welfare Wednesday educational webinars were produced by the Charity, featuring external experts and staff speakers on a variety of topics, which were run from June to the end of the year and attracted a wide audience, both on the night and through playback on YouTube. The content of the webinars was also repurposed into online blogs which featured on the website.

Film

A total of 20 new films were made, in addition to ten educational Welfare Wednesday webinars, two public affairs webinars featuring speakers from across the globe and the live streaming of the Charity's annual conference. Several of the new films featured case studies of rescues and the scale of the rehabilitation needed for these horses to prepare them for new homes, while others focused on supporting fundraising appeals for the welfare line and the Big Give. A video of the foal named after Captain Tom was especially popular, as was an animation featuring guidance on how to care for horses during government movement restrictions.

Print and Publications

As events were largely cancelled due to COVID-19, design and publications work largely focused on producing the Charity's newsletter, Sponsor a Stableyard updates, the welfare line fundraising appeal and a brochure outlining the Charity's new strategy. Guidelines for responsible ownership of equines in several EU languages were also designed, and infographics and animations were produced to promote the work of the Charity.

Conference

The Charity's annual conference was held online with the theme of 'The horse-human partnership: what's in it for the horses?' and attracted speakers and hundreds of attendees from all over the

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globe representing government, media, sport, racing, veterinary medicine, academia, NGOs and industry.

Review of the Year

Financial

Overall the Charity recorded a deficit of £477k (2019: surplus of £763k); a deficit of £690k (2019: £320k) before investment gains of £213k (2019: £1,083k).

The effect of COVID-19 has affected the Charity's financial performance in multiple ways. Total income fell to £7.4m (2019: £9.3m) a reduction of 21% on the previous year, due to the visitor centres being forced to close, fundraising events being unable to run and delays in the legacy pipeline as solicitors adjusted to working from home. Ongoing delays at the probate service also continued without resolve in 2020, exacerbating the problem. On the other hand, stopping all travel early on in the year, and temporarily reducing the activity of the Field and Rehoming Officers significantly reduced expenditure as well. Total expenditure for the year was £8.0m (2019: £9.6m). Details of charitable expenditure are set out in note 6 on page 33.

The Charity responded to the challenge of COVID-19 firstly by ensuring that operations continued within the confines of the latest Government regulations and guidance. Staff based in Head Office were set up to work from home, with the office staffed minimally and only where specific tasks could not be completed from home. The farms initially moved to maintenance only care, using split teams where possible to minimise the risks to staff. Field Officers varied their level of response based on current restrictions and tailored this by geographical area. Rehoming checks moved from physical visits to online checks. The visitor centres closed when instructed in the spring and the decision was taken not to reopen them for the remainder of 2020 in order to minimise risk to farm staff. With an initial sharp drop in legacy receipts and the cancelling of planned fundraising events, the Charity protected its cashflow by halting all non-committed capital expenditure and by arranging a £1m loan under the Coronavirus Business Interruption Loan scheme. This meant that investments will not need to be cashed in when they are at a depressed level, crystallising losses. The loan will be repaid at a point where the Charity has either surplus cash or when investments have recovered suitably from the ongoing situation.

At the year end the Charity had reserves of £31.4m (2019: £31.9m). These were represented by fixed assets of £13.6m (2019: £13.9m) which is principally the four UK Centres, investments of £11.1m (2019: £10.8m), net current assets £7.8m (2019: £7.2m), and long term liabilities of £1.0m (2019: nil). Current assets include £4.5m (2019: £5.1m) for residuary legacies. The Trustees regard the financial position of the Charity as strong, with free reserves above the target reserves range, and no going concern issues that need to be addressed. The organisation has budgeted cautiously for 2021, ensuring that resources are prioritised in those areas that will meet the objectives set for the year. Uncertainty certainly exists with regards to income achievable in 2021 as this will depend on what government restrictions are in place throughout the year. The Charity is managing this by monitoring income and costs carefully and ensuring that potential deficits can be managed comfortably within the level of reserves held. Regular monitoring and reforecasting of financial results will continue throughout the year.

WORLD HORSE WELFARE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Fundraising

The Charity is always grateful for the generosity of its supporters but as 2020 was such a challenging year it is even more so. A spring appeal was launched featuring the Welfare Line, that hit such a note with donors that it was continued throughout the year, putting a spotlight on individual case studies in the four main geographical locations. The success of the appeal generated both significant individual donations but also a considerable number of committed regular gifts. The appeal was promoted through many channels and supported by a radio campaign voiced by Alan Titchmarsh.

During the summer the Charity ran its "Ride of Your Life" draw where several of its Patrons donated either an opportunity to ride out with them once COVID-19 restrictions are removed or to attend an invitation only horse related event. This generated great interest among supporters and the Charity is grateful to Zara Tindall, Sir Mark Todd, Pippa Funnell, Alex Hua Tin and Ian Renton for making this possible.

Despite not being able to run the usual events, the Charity was the beneficiary of supporters' own fundraising. In one case a World Horse Welfare supporter, Hannah Hodd, was inspired to set up a fundraising challenge when getting her own horses fitter. She received incredible support with people joining in all over the country. Hannah decided to invite other riders to take part in a sponsored 'hack 100 miles in three months' challenge and was delighted to find that her idea proved quite so popular, with 120 riders from around the country fundraising as a group.

The Charity is so thankful to those who remembered it in their will as legacy income is crucial to its work. The Charity continues to promote the benefits of remembering World Horse Welfare in wills. For the first time, in 2020 World Horse Welfare participated in the Big Give Christmas Challenge. This is an annual matched giving campaign focusing on a specific project. The initial pledge was given by a long term supporter and the Charity reached its funding target in just 31 hours. The match-funding approach is an attractive funding model for donors. The Big Give was supported by a media campaign focusing on Patrons and supporters, including Jonathan Agnew, Suzanne Dando and Alan Titchmarsh.

One of the consequences of so many people being unable to meet up with family and friends was a large rise in Christmas card sales. Although the Charity was prepared for this, the volume of cards and virtual gifts that were sold was still a surprise. Over the course of a year the Charity received donations from the many individuals who provided long-term support, and many increased their gifts to help mitigate the effects of COVID-19. The Charity continued to receive loyal support from Trusts & Foundations.

Risk management

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

- Finance
- People
- Environment
- Technology
- Image

WORLD HORSE WELFARE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The plans and strategies for managing risks are to identify key risks and assess them for likelihood and impact, the Charity's tolerance of each risk is graded, and appropriate mitigation measures are defined. Risks and the effectiveness of mitigation measures are reviewed on a rolling basis so that all areas are re-assessed at least once a year. This risk register is managed by the Executive, reviewed by the General Purposes and Finance Committee and approved by Council annually. 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

Total reserves as at the 31st December 2020 equalled £31.4m (2019: £31.9m). £128k of this were funds held for restricted purposes (2019: £132k).

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, particularly within the context of COVID-19. 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 2021 budget this indicates an ideal free reserve of between £8.1m and £9.7m.

At the end of 2020 the Charity held "free" reserves of £13.4m comprising investments and net current assets excluding legacies, and less long term liabilities. The Trustees anticipate that any surplus will be used to fund the strategy and for future investment projects including the future redevelopment at Hall Farm. Given the current climate and the uncertainty around the scale of future COVID-19 restrictions on the Charity's ability to fundraise, the Trustees are of the opinion that the current level of reserves is in line with policy and is satisfactory. The Trustees will continue to review both the reserves policy and the level of "ideal" reserves on a regular basis through the General Purposes and Finance Committee.

Investment policy and performance

The Trustees have reviewed and retained the Charity investment policy, which states: "The Trustees of World Horse Welfare wish to pursue a policy that provides revenue for its current purposes and enhances income and capital growth over the longer term, thereby enabling them to meet their current and future objectives in accordance with the purposes of the Charity. The Trustees, in delegating 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 2020 the investment portfolio generated total revenue of £113k (2019: £232k). Given prevailing market conditions in the year, the Trustees viewed this performance as satisfactory.

WORLD HORSE WELFARE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Plans for the future

The Charity finalised a new strategic plan, which is scheduled to run until the end 2024. The plan identifies four discrete goals:

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

The plan also sets out four areas of activity to achieve these goals:

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

In line with the Charity's strategic plan, the key projects for 2021 are:

- 1) Developing a pilot project on how to engage a hard to reach community to prevent equine overbreeding
- 2) Overhauling data gathering and storage within its UK processes to enhance analysis
- 3) Campaigning for more effective enforcement of equine-related legislation in the UK and pressing for licensing of equine welfare establishments
- 4) Enhancing the user experience and staff processes behind rehoming and associated communications
- 5) Continuing to contribute evidence to the ongoing review of transport legislation in the UK and EU
- 6) Evolving the social licence concept in equestrian sport
- 7) Influencing COVID-19 related emergency support through establishing partnerships in the development sector
- 8) Advancing an evidence base on the contribution of working equids to the Sustainable Development Goals.

Clearly, the ongoing COVID-19 situation creates uncertainty over restrictions on the Charity's 2021 operations, however, resources have been prioritised to the projects above that have been planned with the potential restrictions in mind. 2020 has proven that the organisation can continue to deliver on its strategic objectives despite restrictions, by finding new and different ways of working.

Trustees' responsibilities

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

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

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

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

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

WORLD HORSE WELFARE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

President

HRH the Princess Royal KG KT GCVO

Vice Presidents

Christopher Hall OBE TD DL

Barry Johnson MRCVS

Trustees and Members of Council

Chairman

Michael Baines

Members of Council

Sam Bullard

Sarah Coombs BSc (Hons) BVetMed MRCVS

Mark Davies – appointed 1st January 2020

Richard Davison

Carly Dimes ACA CTA (Treasurer)

Melissa Gray-Cheape

Jane Irvine – appointed 1st January 2021

John Jarvis QC (Vice Chairman)

Tom Morrison

Caroline Nokes MP

Christopher Price CBE

Julie Ross MBA

Hugh Thomas – appointed 1st January 2020

Chris Tufnell MRCVS

Chief Executive

Roly Owers CFRE MRCVS

Executive Directors

Sheila Bailey

Jenny Fernando FCA

Liam Maguire

Jessica Stark

Tony Tyler BHSI



Michael Baines

Chairman

22/04/2021

WORLD HORSE WELFARE

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WORLD HORSE WELFARE FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

We have audited the financial statements of World Horse Welfare (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 144 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

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

Conclusions relating to going concern

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

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

WORLD HORSE WELFARE

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WORLD HORSE WELFARE FOR THE YEAR ENDED 31 DECEMBER 2020

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

Other information

The other information comprises the information included in the Trustees report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' annual report; or
- proper and sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out on page 18 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

WORLD HORSE WELFARE

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WORLD HORSE WELFARE FOR THE YEAR ENDED 31 DECEMBER 2020

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities and Trustee Investment (Scotland) Act 2005, Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Charities Act 2011 and the charity's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

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

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

Use of our report

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

RSM UK Audit LLP
Statutory Auditor
Abbotsgate House
Hollow Road
Bury St Edmunds
Suffolk
IP32 7FA

Date 25/06/2021

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 2020

		Unrestricted	Restricted	Total	Total
	Notes	Funds	Funds	2020	2019
		£'000	£'000	£'000	£'000
Income from					
Donations and legacies	2	6,407	156	6,563	8,307
Other trading activities	3	373	-	373	670
Investments	4	114	-	114	242
Other	5	306	-	306	93
Total		7,200	156	7,356	9,312
Expenditure on					
Raising funds		1,274	-	1,274	2,541
Charitable expenditure					
UK Centres		3,187	82	3,269	3,331
UK Field Work		1,514	50	1,564	1,628
International		1,408	28	1,436	1,656
Campaigning		411	-	411	399
Grants		92	-	92	77
Total	6	7,886	160	8,046	9,632
Net gains/(losses) on investments		213	-	213	1,083
Net income		(473)	(4)	(477)	763
Transfers	13	-	-	-	-
Net movement in funds		(473)	(4)	(477)	763
Reconciliation of funds					
Total funds at 1 January		31,781	132	31,913	31,150
Total funds at 31 December	14	31,308	128	31,436	31,913

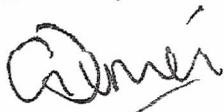
The notes on pages 28 to 38 form part of these financial statements.
The results for the year all derive from continuing activities.

WORLD HORSE WELFARE

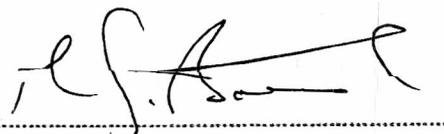
**BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Notes	2020 £'000	2019 £'000
Fixed assets			
Tangible fixed assets	7a	13,518	13,819
Intangible fixed assets	7b	53	76
Investments	8	11,059	10,846
Total fixed assets		24,630	24,741
Current assets			
Legacies		4,494	5,071
Stock		26	29
Debtors	10	535	563
Cash at bank and in hand		3,220	1,987
Total current assets		8,275	7,650
Creditors: amounts falling due within one year	11	(486)	(478)
Net current assets		7,789	7,172
Creditors: amounts falling due in more than one year	12	(983)	-
Net assets		31,436	31,913
Funds			
Unrestricted-General		31,308	31,781
Restricted	13	128	132
Total Funds	14	31,436	31,913

Approved by Council on 22/04/2021



Treasurer
Carly Dimes ACA CTA



Chairman of Trustees
Michael Baines

The notes on pages 28 to 38 form part of these financial statements.

WORLD HORSE WELFARE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

Notes		2020 £'000	2019 £'000
Net cash provided by operating activities	1	1,372	(616)
Cash flows from investing activities			
Interest received		1	10
Dividends received		113	232
Purchase of fixed assets		(256)	(566)
Proceeds from sale of fixed assets		3	28
Net cash provided by investing activities		(139)	(296)
Change in cash and cash equivalents in the reporting period		1,233	(912)
Cash and cash equivalents at the beginning of the reporting period		1,987	2,899
Cash and cash equivalents at the end of the reporting period	2	3,220	1,987
1 Reconciliation of net movement in funds to net cash flow from operating activities			
		2020 £'000	2019 £'000
Net income for the reporting period		(477)	763
Investment (gains)/losses		(213)	(1,160)
Investment income		(114)	(242)
Decrease/(Increase) in value of legacies		577	(286)
Depreciation & amortisation		580	575
(Profit) on sale of tangible fixed assets		(3)	(28)
Decrease/(increase) in stocks		3	8
Decrease/(increase) in debtors		28	(168)
Increase/(decrease) in creditors		991	(78)
Net cash provided by operating activities		1,372	(616)
2 Analysis of cash and cash equivalents			
		2020 £'000	2019 £'000
Cash in hand		3,220	1,987

WORLD HORSE WELFARE

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

3 Analysis of changes in net debt

	1.1.2020	Cash flows	Other non cash changes	At end of year
	£'000	£'000	£'000	£'000
Cash	1,987	1,233	-	3,220
	1,987	1,233	-	3,220
Debt due within one year	-	(17)	-	(17)
Debt due in more than one year	-	(983)	-	(983)
	-	(1,000)	-	(1,000)
	1,987	233	-	2,220

1 Accounting policies

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

1.1 Basis of accounting

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

1.2 Assessment of Going Concern

As at 31 December 2020 the going concern basis of accounting was considered to be appropriate for the charity as no material uncertainties existed. Since the outbreak of COVID-19 the charity has performed financial modelling to consider the impact on the forecast position, and no issues were identified that would give rise to a going concern risk. Through careful management, the charity's cash balance has not changed significantly since the balance sheet date, and given the current level of free reserves the charity has in place, COVID-19 should not cast any doubt on its ability to continue as a going concern.

1.3 Income

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

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

1.4 Expenditure

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

1.5 Governance costs

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

1.6 Allocation of support costs

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

1.7 Fund Accounting

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1.8 Fixed assets, depreciation and amortisation

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

The rates generally applicable are:

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

No depreciation is provided on freehold land.

1.9 Investments

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

Investment property comprises freehold land. The fair value of the Charity's investment property at 31 December 2016 had been arrived at on the basis of a valuation carried out at that date by Savills, Chartered Surveyors, on an open market basis. Savills are not connected with the Charity. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The Charity believes this still reflects the current valuation for 31 December 2020.

1.10 Foreign currency translation

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

1.11 Stock

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1.12 Taxation

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

1.13 Pension scheme

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

1.14 Operating leases

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

1.15 Financial instruments

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

1.16 Debtors

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

1.17 Creditors and provisions

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

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2 Donations and Legacies

	2020	2019
	£'000	£'000
Subscriptions and donations	1,654	2,168
Legacies	4,641	5,771
Donations from charitable trusts	268	368
	<u>6,563</u>	<u>8,307</u>

3 Other trading activities

	2020	2019
	£'000	£'000
Sales of refreshments & merchandise	94	307
Lotteries	197	194
Fundraising events	82	169
	<u>373</u>	<u>670</u>

Sales of refreshments & merchandise include donated goods which are mainly tack. Proceeds from the sale of these items were £9k (2019: £35k).

4 Income from investments

	2020	2019
	£'000	£'000
Dividends receivable	113	232
Bank and stock interest	1	10
	<u>114</u>	<u>242</u>

5 Other income

	2020	2019
	£'000	£'000
Rental and other income from land	69	65
Coronavirus Job Retention Scheme	235	-
Profit on sale of tangible fixed assets	2	28
	<u>306</u>	<u>93</u>

WORLD HORSE WELFARE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6 Analysis of total expenditure	Governance £'000	Support £'000	Direct £'000	2020 £'000	2019 £'000
Refreshments & merchandise	-	-	37	37	111
Fundraising & publicity costs	35	127	1,075	1,237	2,430
Raising funds	<u>35</u>	<u>127</u>	<u>1,112</u>	<u>1,274</u>	<u>2,541</u>
UK Centres	65	300	2,904	3,269	3,331
UK Field Work	46	145	1,373	1,564	1,628
International	13	203	1,220	1,436	1,656
Campaigning	11	41	359	411	399
Grants	-	3	89	92	77
Charitable activities	<u>135</u>	<u>692</u>	<u>5,945</u>	<u>6,772</u>	<u>7,091</u>
Total	<u>170</u>	<u>819</u>	<u>7,057</u>	<u>8,046</u>	<u>9,632</u>
<i>Including audit fees of</i>				<u>15</u>	<u>15</u>
<i>Including foreign exchange differences of</i>				<u>4</u>	<u>3</u>
				2020	2019
Support costs include				£'000	£'000
IT				446	355
HR				141	252
Finance				192	159
Premises				40	88
				<u>819</u>	<u>854</u>
Operating leases (note 17)				<u>412</u>	<u>387</u>
Staff costs				2020	2019
				£'000	£'000
Wages and salaries				3,602	3,554
Social security				348	337
Pension costs				276	259
				<u>4,226</u>	<u>4,150</u>

Employee benefits totalling £124k (2019 £109k) were paid in respect of vehicles, including vans, private health and cash health plans and accommodation for farm staff. Holiday pay accrued totalled £76k (2019: £45k).

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 19. The total employee benefits of the key management personnel including salary, employers pension contributions, benefits in kind, employer's national insurance and accrued holiday pay were £707k (2019: £659k).

Higher paid staff one employee had earnings in the range £160,001-£170,000, one in the range £90,001 - £100,000, one in the range £80,001-£90,000, three in the range £70,001-£80,000 and one in the range £60,001 to £70,000 (2019: one in the range £160,001-£170,000, one in the range £90,001 -£100,000, one in the range £80,001-£90,000, one in the range £70,001-£80,000 and one in the range £60,001 to £70,000). These figures include benefits in kind of £19k (2019 £17k). Pension contributions for these employees were £66k (2019: £46k).

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

	2020	2019
Direct charitable activities	101	100
Fundraising	21	24
Management and administration	1	1
	<u>123</u>	<u>125</u>
The average head count during the reporting period was	<u>141</u>	<u>155</u>

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

7a Tangible fixed assets

	Land and buildings £'000	Farm equipment £'000	Other equipment £'000	Motor vehicles £'000	IT equipment £'000	Total £'000
Cost						
1 January 2020	17,310	891	663	279	286	19,429
Additions	106	21	17	25	87	256
Disposals	-	(11)	-	(17)	-	(28)
31 December 2020	<u>17,416</u>	<u>901</u>	<u>680</u>	<u>287</u>	<u>373</u>	<u>19,657</u>
Depreciation						
1 January 2020	3,948	687	555	239	181	5,610
Charge for year	398	51	30	30	45	554
Disposals	-	(8)	-	(17)	-	(25)
31 December 2020	<u>4,346</u>	<u>730</u>	<u>585</u>	<u>252</u>	<u>226</u>	<u>6,139</u>
31 December 2020	<u>13,070</u>	<u>171</u>	<u>95</u>	<u>35</u>	<u>147</u>	<u>13,518</u>
31 December 2019	<u>13,362</u>	<u>204</u>	<u>108</u>	<u>40</u>	<u>105</u>	<u>13,819</u>

Land & Buildings are all freehold and include £1.9m (2019: £1.9m) of land which is not depreciated.

7b Intangible fixed assets

	Intangible IT £'000	Total £'000
Cost		
1 January 2020	123	123
Additions	-	-
Disposals	-	-
31 December 2020	<u>123</u>	<u>123</u>
Depreciation		
1 January 2020	47	47
Charge for year	23	23
Disposals	-	-
31 December 2020	<u>70</u>	<u>70</u>
31 December 2020	<u>53</u>	<u>53</u>
31 December 2019	<u>76</u>	<u>76</u>

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

12 Creditors: amounts falling due in more than one year

	2020 £'000	2019 £'000
Bank loan	983	-
	<u>983</u>	<u>-</u>

13 Restricted funds

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

	Ref	Balance 1.1.20 £'000	Movement in Funds		Transfers £'000	Balance 31.12.20 £'000
			Incoming £'000	Outgoing £'000		
Belwade Farm		-	3	3	-	-
Capital items		2	24	26	-	-
China	a	130	-	5	-	125
Haiti	b	-	24	24	-	-
Penny Farm		-	18	18	-	-
Hall Farm		-	4	4	-	-
Glenda Spooner Farm		-	6	6	-	-
Farms		-	8	8	-	-
Field Officers		-	9	9	-	-
UK Welfare line	c	-	41	41	-	-
Saddlery		-	5	2	-	3
Retraining of racehorses	d	-	14	14	-	-
		<u>132</u>	<u>156</u>	<u>160</u>	<u>-</u>	<u>128</u>

Except where shown as a balance at the year end the funds have been used in full in the year. There are plans to spend the remaining funds in 2021.

Reference:

- The China fund is for building relationships and assessing the equine welfare issues.
- The Haiti fund is a project funded by UK Aid Match to strengthen livelihoods and reduce vulnerability of households in Haiti reliant on working equids.
- The UK Welfare line appeal is an appeal to raise funds towards the running of the Charity's welfare phone line where concerns about horses can be reported.
- These are donations that fund the retraining and rehoming of former racehorses.

14 Analysis of net assets between funds

Funds	Tangible Fixed Assets £'000	Legacies & Investments £'000	Cash £'000	Other Net assets £'000	Total 2020 £'000	Total 2019 £'000
Unrestricted general	13,571	15,553	3,092	(908)	31,308	31,781
Restricted	-	-	128	-	128	132
Total	<u>13,571</u>	<u>15,553</u>	<u>3,220</u>	<u>(908)</u>	<u>31,436</u>	<u>31,913</u>

15 Capital commitments

	2020 £'000	2019 £'000
Capital commitments at 31 December in respect of expenditure: Penny Farm	-	1

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

16 Trustees' Expenses and Related Party Transactions

Trustees received no remuneration or any other benefits. Expenses of £0k (2019: £4k) for travel (including air fares), subsistence, telephone, postage and stationary expenses incurred on Charity business were reimbursed or paid directly for 0 (2019: 6) Trustees. There have been no related party transactions in the period which require disclosure.

17 Operating Lease Commitments

The Charity as lessee:

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

	Land and buildings	2020 Other	Land and buildings	2019 Other
	£'000	£'000	£'000	£'000
Within one year	36	122	3	114
Within two to five years	38	216	-	270
	74	338	3	384

18 Bank loan

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

19 Comparative restricted funds

	Balance 1.1.19	Movement in Funds		Transfers	Balance 31.12.19
	£'000	Incoming £'000	Outgoing £'000	£'000	£'000
Belwade Farm	9	7	16	-	-
Capital items	-	59	57	-	2
Scotland	4	-	4	-	-
China	157	-	27	-	130
International	-	429	429	-	-
Penny Farm	-	2	2	-	-
Non admin Charity work	48	140	188	-	-
Field Officers	2	6	8	-	-
Campaigning	-	30	30	-	-
Retraining of racehorses	-	36	36	-	-
	220	709	797	-	132

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

20 Comparative analysis of net assets between funds

Funds	Tangible Fixed Assets £'000	Legacies & Investments £'000	Cash £'000	Other Net current assets £'000	Total 2019 £'000	Total 2018 £'000
Unrestricted general	13,895	15,917	1,855	114	31,781	30,930
Restricted	-	-	132	-	132	220
Total	13,895	15,917	1,987	114	31,913	31,150

21 Comparative SOFA by fund

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000
Income from			
Donations and legacies	7,598	709	8,307
Other trading activities	670	-	670
Investments	242	-	242
Other	93	-	93
Total	8,603	709	9,312
Expenditure on			
Raising funds	2,541	-	2,541
Charitable activities			
UK Centres	3,028	303	3,331
UK Field Work	1,620	8	1,628
International	1,200	456	1,656
Campaigning	369	30	399
Grants	77	-	77
Total	8,835	797	9,632
Net gains on investments	1,083	-	1,083
Net income/(expenditure)	851	(88)	763
Transfers	-	-	-
Net movement in funds	851	(88)	763
Reconciliation of funds			
Total funds at 1 January 2019	30,930	220	31,150
Total funds at 31 December 2019	31,781	132	31,913

WORLD HORSE WELFARE

PRINCIPAL PLACES OF BUSINESS AND ADVISORS

Head Office	Anne Colvin House Snetterton Norwich Norfolk NR16 2LR Telephone: 01953 497200 Website: www.worldhorsewelfare.org Email: info@worldhorsewelfare.org
Auditors	RSM UK Audit LLP Abbotsgate House Hollow Road Bury St Edmunds Suffolk IP32 7FA
Bankers	Lloyds 16 Gentleman's 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