



WorldHorseWelfare

Report of the Trustees and Financial Statements

31st December 2019



www.worldhorsewelfare.org

Registered charity no. 206658 and SC038384

WORLD HORSE WELFARE

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

The World Horse Welfare Trustees present their report, together with the audited accounts of World Horse Welfare, for the year ended 31 December 2019. 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 2015.

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 18. 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 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 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 14 Trustees who served throughout the year. On 31 December 2019 two Trustees retired. Two new Trustees were appointed on the 1st January 2020 and one during the year on 25th April 2019.

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 2019 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 four committees:

- General Purposes and Finance Committee – meets three times a year and is primarily responsible for reviewing the financial affairs of the Charity and making recommendations to Council. This includes considering the strategic plan, annual budget and performance against budget, management of the Charity's investments, and the annual accounts and report of the auditors. 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.

In addition a Nominations Committee will be 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 2020.

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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 2019

To assist in the delivery of the charitable objectives, the plans for 2019 were:

- 1) To complete the Charity's strategic plan for 2020-24

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

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- 2) To complete the Penny Farm Visitor Centre on time, on budget and to finalise the commercial plan
- 3) To fully implement the World Vision partnership in Zimbabwe and explore opportunities for other NGO partnership agreements
- 4) To develop ICWE advocacy work through OIE (Brazil workshop), World Bank (funding guidelines) and United Nations (July event at High Level Political Forum)
- 5) To launch a new, device-independent website where visitors are able to easily donate or purchase products
- 6) To ensure compliance with HMRC's Making Tax Digital requirements by October 2019

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 & 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 1,918 (2018: 1,853) horses were in homes approved by the Charity. In 2019, 292 (290) new horses were taken into care, 152 (142) were returned from previous loan homes and 310 (299) horses were successfully re-homed. The Charity continues to see significant numbers of large group admissions to the Centres.

The development of Penny Farm Visitor Centre was completed on time and on budget. It was opened by HRH The Princess Royal on the 9th September and has made an excellent start, attracting increasing visitor numbers.

Education

New topics in development for the website include advice on internal parasites, pasture management and dental care, all in collaboration with external individuals/organisations, and are due to be launched in 2020. Existing education initiatives, such as "Right Weight" and disease awareness are also being reviewed with the view to them being updated and relaunched. This is being done in discussions with other equine welfare organisations to ensure that all key messaging is standardised and where applicable collaborative materials will be produced. A key focus will also be on improving educational outreach to ensure as many horse owners as possible, from a wide range of backgrounds and disciplines are reached.

The Charity's range of educational materials was promoted at a number of events throughout the year, including BEVA Congress, Your Horse Live and, for the second year as part of a NEWC collaboration, Farrier Focus. 2019 also saw the launch of nationwide coverage for a scheme operated

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by the National Fallen Stock Company (the Equine End of Life Service) following a successful pilot in Scotland. This links into the Just in Case pages of the Charity's website.

International

The Charity worked in 16 (2018: 17) countries in 2019 and implemented 17 (18) projects. These projects provided direct help to a total of 14,931 (10,973) and 9,440 (7,233) owner/users. There are now 254 (200) trained service providers actively linked to the Charity's overall programme, covering the 311 (307) communities where the Charity is currently operating.

The number of horses helped indirectly by equine care providers trained through the Charity's programme increased in 2019 to 73,615 from an estimate of 40,000 for 2018. This is an important development for the programme as it demonstrates that the effects of its direct actions will spread to other areas, this is also a form of validation of the changes that we are advocating.

The Charity was successful in an application for funding, for a project in Haiti, from the British Government through the UK Aid Match (UKAM) scheme. This is a significant event for World Horse Welfare as it is the first time that it has been given the opportunity to access this sort of funding. If successful in delivering the project there may be opportunities to access similar funds in the future. UKAM required that the Charity launch an appeal to raise funds for the project while publicising the issues in Haiti and the role of the Government in addressing them. After the three-month appeal period a sum of £429k was raised and UKAM has agreed to match the figure excluding Gift Aid to allow implementation of the project. This grant is anticipated to total £397k.

The Charity has been working with UKAM to carry out the detail planning for the project which is expected to start operations in Haiti early in 2020. The situation in Haiti has deteriorated over the last year and changes to the proposed project have been suggested to UKAM to allow for this. One of the major concerns is the security situation, which has become so severe that World Horse Welfare personnel cannot travel to Haiti to carry out planning with the in-country team and will be restricted in the way in which the project is monitored and managed. However, an amended plan for a project, that mitigates the security challenges, has been submitted to UKAM.

As part of the procedures of preparing for this project, the Charity has undergone a Due Diligence process with UKAM and has received approval to continue subject to some final issues being resolved. The Charity will be totally compliant by the start of operations in early 2020.

In Zimbabwe the Charity's partnership with World Vision and VAWZ (Veterinarians for Animal Welfare Zimbabwe) enabled teams to access communities that are part of the World Vision livelihoods project in areas where people rely most heavily on donkeys in the Beitbridge area. This access has allowed assessments to be made in terms of the training received and skill sets of the service providers that are available. Plans are now being developed to address training needs through specialised courses. The economic situation in Zimbabwe at present is so serious that electricity is only periodically available, and fuel is almost impossible to obtain for long periods of time. Without the partnership with World Vision it would have been practically impossible to have achieved any progress in this year.

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In Lesotho a partnership agreement has been arranged with the international organisation, Riders for Health, who specialise in improving the logistics around transportation of medical supplies and clinical samples to and from the more remote areas of developing countries. This is usually based around the use of motorcycles but the terrain in Lesotho makes some locations only reachable by horse riders. The team from Riders for Health provide support to these riders to ensure their horses are always available for this important work and that their welfare is considered at all stages. Initiatives to work with other NGOs were also explored in South Africa, Nepal and Honduras.

The role of in-country project partners has been strengthened over this year and new partner organisations have been formed in Colombia, Nicaragua, Panama and Senegal. These are all officially recognised organisations that are registered and approved for operations in each of their countries. This status is important as apart from helping equids and their owner directly, the Charity needs to be working with professional and creditable local organisation to influence the government and other institutions that can affect working equine welfare to improve their attitude towards them.

In line with the Charity's strategy to inform and influence institutions on the importance of working equine welfare, staff have been involved in a series of regional and global conferences. There, with the other organisations that make up the International Coalition for Working Equids (ICWE), the Charity has been emphasising the vital role that working equids play in the livelihoods of so many people and of the need to recognise this in planning and funding arrangements. These events have included: The Commonwealth Veterinary Association Conference in India, OIE Focal Point training events in Brazil and Indonesia, the All Africa Conference on Animal Agriculture, the World Conference on Farm Animal Welfare and the China Veterinary Medical Association (both in China). As Chair of ICWE from June 2018-June 2019, the charity facilitated interviews for a secondment position with the World Bank to project manage the production of practical guidelines for World Bank staff to help implement the OIE chapter on working equids.

The Charity's project in Cuba was featured in the media when it was visited by the Duchess of Cornwall during a visit to the country with the Prince of Wales. The project is working within the department of Flora and Fauna in Cuba to provide training to groups of farriers who provide services to the many working equids that are an important part of the transport system there.

During the year a review of the Charity's safety and security procedures was undertaken with a view to ensuring that the Charity's staff were not being asked to take unreasonable or unnecessary risks as part of their work. The review that was carried out by an independent safety and security organisation who suggested several improvements that would make the systems more user friendly and more responsive to the changing environment in which the Charity operates. Improvements are being implemented with the support of the Health and Safety Advisor.

Campaigning

The Charity's campaigning activity in 2019 was wide-ranging, including research to help inform approaches to the root causes of equine welfare problems, influencing UK policy and legislation, promoting responsible ownership, ending long-distance transport of horses across the EU for slaughter, and raising awareness of the welfare of working equids internationally.

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UK

The Charity worked within a wider animal welfare taskforce and on its own to pose questions in Parliament and provide information and advice to policy makers on the possible impacts on equine welfare of leaving the EU and recommended solutions. It responded to several consultations affecting equines within the UK, including those on animal health, licensing of animal exhibits and rehoming centres, fireworks and sentencing for animal cruelty. Joining the campaign to increase the maximum penalties for the most serious animal welfare offences from 12 months to 5 years imprisonment, the Charity joined a meeting at 10 Downing Street with other animal welfare organisations and began running its own a campaign for supporters to email their MPs on this issue.

A roundtable with the Minister for Food and Animal Welfare on tethering was attended with other welfare organisations. As part of the strategy to engage more closely with the devolved administrations, the Charity held meetings with Scottish and Northern Irish civil servants to explore policy and upcoming legislation.

The Charity launched a survey, via social media, to gather public opinion on licensing of rescue and rehoming organisations, the results of which were shared with Defra. Meetings and roundtables were held by Defra around this issue with an aim to inform an impact assessment of such legislation and a possible full public consultation. The Charity also conducted an online survey to engage with horse owners as to how they transport their own horse and what checks they make when choosing a transporter or using their own vehicle.

To enable the annual sale of semi-feral Dartmoor Hill ponies, the Charity worked with local associations, those responsible for the Central Equine Database and government to help find a welfare-friendly and practical temporary method of compliance with new equine ID legislation. As part of Phase 2 of behaviour change project to prevent the spread of equine disease, the Charity along with other welfare charities conducted interviews with livery yard owners and liveries to inform a strategy to encourage horse owners and keepers to improve practice around biosecurity. And to improve horse care practices among hard to reach communities, the Charity conducted research and expanded its network to inform possible approaches. This included a field trip to Ireland and meetings with Irish charities focussing on the same issue.

EU

The Charity served as co-secretariat of the equine sub-group of the EU Platform on Animal Welfare, and played an active role with members and other stakeholders to produce basic guidance on the keeping, care and training of equines – the guidance on the keeping of horses was endorsed by the Platform in October.

Around 50,000 signatures from the UK, Spain, Italy and Poland were collected on a petition to the European Commission to impose a short, maximum journey for horses transported long distances across Europe for slaughter and a date to hand over the petition was sought. And the second phase of consumer research was conducted in Italy through an agency to better understand the motivations for purchasing and consuming horse meat which will help inform our campaign to end the long-distance transport of horses across Europe for slaughter.

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The Charity also engaged with Member States and key Members of the European Parliament to help influence the adoption of recommendations to the new Animal Health Law to better ensure traceability and equine ID.

International

The Charity continued to expand its knowledge and network to improve welfare at slaughter, including meetings and field trips to an equine abattoir in Britain, and a workshop in Spain, with the Humane Slaughter Association. It also submitted a written response to The All-Party Parliamentary Group for Animal Welfare's (APGAW) inquiry on abattoirs, which aims to assess whether the reduction in numbers of small and medium sized abattoirs in the UK has negatively impacted animal welfare. A field visit to Italy was carried out in November which included a visit to a slaughterhouse that regularly takes in horses from Poland and Spain.

The International Coalition for the Welfare of Working Equids (ICWE), chaired by the Charity from July 2018-June 2019, hosted a display and side event at the UN High Level Political Forum in New York in July. The Charity also partnered with the Donkey Sanctuary to co-sponsor a side event on the importance of the welfare of working equids in pastoralist societies at the Food and Agriculture Organisation's annual Committee on Food Security in October. And in partnership with the OIE, the Charity spearheaded the launch of the ICWE baseline survey for West Eurasian countries on the numbers, uses and welfare of working equids to European OIE Focal Points.

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. 5 awards were made in 2019 (2018: 5)
- Veterinary grants. Each grant directly relates to the Charity's core activities and 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 2019 (2018: 1): the first year of a project focusing on factors associated with decision making and the impact of educational resources during critical cases of equine colic, with the University of Nottingham School of Veterinary Medicine and Science
- The International Small Grants Scheme is aimed at encouraging local organisations to become involved in working horse issues and enables the Charity to investigate potential new projects. In 2019 one grant was awarded for a total of £5k to the Palestinian Wildlife Society (PWLS) on the West Bank (for a second consecutive year).

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, Eurogroup for Animals, European Horse Network, National Equine Welfare Council (NEWC), Horse Scotland, the International Coalition

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for Working Equids (ICWE), the International Coalition for Animal Welfare (ICFAW) and the 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 a meeting of the British Horseracing Authority Welfare Committee on an annual 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, Association Panama Medical Vets (APMV), Cambodia Pony Welfare Organisation, Costa Rica Equine Welfare, The Cuban Association for Veterinary Medicine ACMV in Cuba, Servicios de Apoyo en Bienestar Equino (SABE) in Guatemala, Universidad Comprometidos Con La Excelencia (CES), Equinos de Honduras (EQUHS), Quatre Pattes in Haiti, Universidad de Ciencia Comerciales (UCC) 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) and the Food and Agriculture Organisation (FAO) in Senegal, Palestinian Wildlife Society (PWLS) on the West Bank, and the Cart Horse Protection Association and Coastal Horse Care Unit 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. The Charity received £126k (2018: £31k).

Communications

Over the year, communications activities focussed on promoting fundraising initiatives, responding in the media to UK welfare issues including horse sport, and growing reach and engagement over social media.

Media

The Charity attracted an average of £400k in media coverage each month with national, local and specialist coverage across a range of media. Horse welfare in sport was in the spotlight of UK media throughout the year, and the Charity attracted coverage in advance of the Cheltenham Festival from BBC News and ITV West Country about fatalities and the recommendations of the BHA's review of the course. The establishment of a new Horse Welfare Board for racing, independently chaired by the charity's former Chairman, also attracted national media mention in the Daily Mail and The Guardian, as did the Charity's response to the Liberal Democrat Manifesto commitment to establishing a board that was fully independent of racing.

UK welfare concerns attracted healthy coverage in national media such as the Daily Mail, Sun, Mirror and Metro, with a number of successful prosecution cases in which World Horse Welfare assisted hitting the news and the Charity's involvement in large, multi-agency rescues. The organisation also contributed to news features on the horse crisis and overweight horses which were featured in the Sunday Times and The Telegraph online. As a busy year for fundraising activities, the Charity promoted the World Horse Trail and the appeal for its work helping horse owning communities in Haiti in which money raised would be matched by the UK government – both of which attracted equine and local coverage. The opening of World Horse Welfare's Penny Farm Rescue and Rehoming Centre by HRH The Princess Royal was broadcast by BBC Radio

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Lancashire throughout the day featuring interviews with staff. The annual Conference attracted media coverage as usual, especially in the equine media but also in the Daily Mail and Racing Post for comments made regarding racing's future approach to horse welfare.

Online

The Charity significantly increased its reach and engagement across its four social media channels in 2019. Facebook Likes increased 21k to 186k during the year, and its Twitter following increased to 37.3k. Instagram saw the largest percentage increase in followers over the year from 11.5k to 17.5k.

Film

There were almost 3 million views of the Charity's videos on YouTube in 2019, bringing the total views on the channel to 27.5 million. A total of 19 new films were made, in addition to the live streaming of the Charity's annual conference and shortened social media versions of many of the films. Topics brought to life included its work in Haiti to support the fundraising appeal, the World Horse Trail and rescue and rehoming case studies.

Print and Publications

An increased number of printed materials were produced to support fundraising activities and the visitor centres of the Charity's four farms. Several different maps and an auction catalogue were produced for the World Horse Trail, which was comprised of six different trails featured in either borough locations, at shows or at each of the four rescue and rehoming centres. Posters, trade stand panels and other associated materials were also created to drive awareness and engagement in the Charity's appeal for horse owning communities in Haiti. In addition, three editions of the charity newsletter were produced and a new product – Sponsor a Stableyard – was rolled out.

Website

The Charity launched a redeveloped website in 2019 which integrated its CRM system to online payments as part of its Digital Engagement Programme. The new site is device-independent and focuses on key user journeys to ensure a seamless and enjoyable user experience. The backend integration has streamlined processing and is a huge step forward on the Charity's path towards digital transformation.

Conference

The Charity's annual conference with the theme of 'Who is responsible?' attracted its largest audience of more than 400 guests from across government, media, sport, racing, veterinary medicine, academia, NGOs and industry.

Review of the Year

Financial

Overall the Charity recorded a surplus of £763k (2018: £625k); a deficit of £320k (2018: £916k) before investment gains of £1,083k (2018: losses of £291k).

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The Charity's total income was £9.3m (2018: £10.3m) a reduction of 9% on the previous year, due to decrease in legacy income of £1.1m. Legacy income has shown an overall upward trend for the Charity over the last few years, but it can vary somewhat year by year. For this reason, the Charity is prudent with its budgeting and the 2019 legacy income figure of £5.8m represents a variance of only 4% from the target of £6m. Direct fundraising income rose 6% compared to 2018.

Total expenditure for the year was £9.6m (2018: £9.4m). Details of charitable expenditure are set out in note 6 on page 30. Overall charitable expenditure increased by 8% to £7.1m (2018: £6.6m).

At the year end the Charity had reserves of £31.9m (2018: £31.1m). These were represented by fixed assets of £13.9m (2018: £13.9m) which is principally the four UK Centres, investments of £10.8m (2018: £9.7m) and net current assets £7.2m (2018: £7.5m). Current assets include £5.1m (2018: £4.8m) for residuary legacies. The Trustees regard the financial position of the Charity as strong and consider it to be well placed to meet the challenges ahead and achieve the future capital plans.

One of the Charity's objectives for 2019 was to ensure compliance with HMRC's Making Tax Digital requirements. Preparation work was completed during the year, with the first digital VAT return successfully filed in February 2020 for the quarter ending 31st December 2019.

Fundraising

Every year the Charity thanks the generosity of its supporters, with over £9m raised during 2019. As in previous years significant funds were received from those who had kindly remembered World Horse Welfare in their Will. The Charity's winter appeal focused on the story of Clyde, a severely emaciated horse who has transformed into a showring star, being crowned Reserve Champion Rescue Pony at Equifest, and demonstrating the impact of the donations received.

2019's World Horse Trail was made up of six sculpture trails, all featuring designs which tell the story of the Charity's work through different horses. Each one was designed by a host of artists, celebrities and personalities including Martin Clunes, Deborah Meaden, Sara Cox and Nick Skelton. The master sculpture itself was created by acclaimed artist Judy Boyt based on the story of Lucas, a frozen and abandoned foal who was rescued by the Charity who has since flourished into a beautiful sport horse. The trail concluded with all of the sculptures being auctioned in an event at Kensington Palace that raised £100k.

2019 also saw a first not just for World Horse Welfare but for all equine welfare organisations, as the Charity was awarded match funding from the Department for International Development for its Helping Horse Owning Communities in Haiti appeal. Staggering support for this work saw £826k raised, including £397k of match funding expected from the government. Generous donations from Trusts, including £100k from the Peter O'Sullivan Charitable Trust, helped to make this appeal a huge success.

The four Rescue and Rehoming Centres continue to play a vital role in recognising the Charity's existing supporters through the 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

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helping. In September HRH The Princess Royal formally opened the new expanded facilities at Penny Farm in Lancashire, which will allow the centre to play an even bigger role in the future.

Risk management

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

- Finance
- People
- Environment
- Technology
- Image

The plans and strategies for managing risks are to identify key risks and assess them for likelihood and impact, the Charity's tolerance of each risk is graded, and appropriate mitigation measures are defined. Risks and the effectiveness of mitigation measures are reviewed on a rolling basis so that all areas are re-assessed at least once a year. This risk register is managed by the Executive, reviewed by the General Purposes and Finance Committee and approved by Council annually. 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 2019 equalled £31.9m (2018: £31.2m). £132k of this were funds held for restricted purposes (2018: £220k).

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 2020 budget this indicates an ideal free reserve of between £9.0m and £10.8m.

At the end of 2019 the Charity held "free" reserves of £12.9m comprising investments and net current assets excluding legacies. 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 financial climate and the uncertain timing with regard to legacy income 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

WORLD HORSE WELFARE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 the investment portfolio generated total revenue of £232k (2018: £215k). Given prevailing market conditions in the year, the Trustees viewed this performance as satisfactory.

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 2020 are:

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 rehomingers
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.

WORLD HORSE WELFARE

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2019

The effects of COVID-19

Early 2020 has heralded a global Covid-19 pandemic affecting almost every aspect of daily life in almost every country across the world. It will undoubtedly affect World Horse Welfare in various ways, but the Charity is well placed to remain financially stable and to continue to deliver on the new strategy.

It is expected that the Charity's income will fall significantly over the short term as fundraising events have been cancelled, its Visitor Centres and online shop have closed and there is a likelihood of a expected delay in receiving legacy income due a slow down across the entire system, including with house sales and within solicitors' offices. However, as over 60% of the Charity's income is derived from legacies, it is expected that this will recover once the short term restrictions have been lifted, shoring up income over the longer term.

During the period of the pandemic restrictions, the Charity's ability to deliver on its objectives is being affected. All non-essential travel has been suspended (nationally and internationally), Field Officers are limited to responding to only emergency welfare concerns and the rehoming of horses has been temporarily suspended. The rehabilitation of horses in the Charity's farms has also been paused to ensure that basic care is prioritised at a time when staffing levels are limited and the stocking levels are at a record high of 30% above normal levels.

There is however still plenty of activity being undertaken through implementing the Charity's contingency plans, supported by changing working practices and utilising technology. All Head Office staff are working from home, rehoming checks are continuing via phone or video consultation, and support for our international projects and partners continues through regular video conferencing. In conjunction with the wider sector, the Charity is also producing regular updates to owners and supporters on how to best care for their horses during government restrictions on movement, and changes to Charity services during this time.

With free reserves of £12.9m, almost entirely held in cash and investments, the Charity will be able to maintain cashflow during the expected period of reduced income. All non-essential capital expenditure has been suspended and cost efficiencies will be found from across all operational budgets as required to ensure the Charity's reserves remain in line with the stated policy. Financial performance, cashflow and the value of investments held is being monitored very closely on an ongoing basis, ensuring that the Charity remains a going concern both in 2020 and into the future.

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.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019**

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2019

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

President

HRH the Princess Royal KG KT GCVO

Vice Presidents

Mr C S Hall OBE TD DL

Dr JB Johnson MRCVS

Trustees and Members of Council

Chairman

Mr M Baines

Members of Council

Mr S Bullard

Mrs S Coombs BSc (Hons) BVetMed MRCVS

Mr M Davies – appointed 1st January 2020

Mr R Davison

Miss C Dimes ACA CTA (Treasurer)

Mr M Duff - retired 31st December 2019

Mrs M Gray-Cheape - appointed 29th April 2019

Mr G Hughes – retired 31st December 2019

Mr J Jarvis QC (Vice Chairman)

Mr T Morrison

Ms C Nokes MP

Mr C Price CBE

Ms J Ross MBA

Mr H Thomas – appointed 1st January 2020

Dr C Tufnell MRCVS

Chief Executive

Mr R A Owers CFRE MRCVS

Executive Directors

Mrs J Fernando FCA

Mr L Maguire

Mrs J Stark

Mr A R Tyler BHSI

Mrs S Bailey



**Mr M Baines
Chairman**

30/07/2020

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WORLD HORSE WELFARE
FOR THE YEAR ENDED 31 DECEMBER 2019**

Opinion

We have audited the financial statements of World Horse Welfare (the 'charity') for the year ended 31 December 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of 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 2019 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

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

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WORLD HORSE WELFARE FOR THE YEAR ENDED 31 DECEMBER 2019

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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' 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 17 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.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF WORLD HORSE WELFARE
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

Use of our report

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

RSM UK Audit LLP

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

19 August 2020

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 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Total 2019 £'000	Total 2018 £'000
Income from					
Donations and legacies	2	7,598	709	8,307	9,388
Other trading activities	3	670	-	670	611
Investments	4	242	-	242	225
Other	5	93	-	93	54
Total		8,603	709	9,312	10,278
Expenditure on					
Raising funds		2,541	-	2,541	2,798
Charitable expenditure					
UK Centres		3,028	303	3,331	3,010
UK Field Work		1,620	8	1,628	1,540
International		1,200	456	1,656	1,516
Campaigning		369	30	399	430
Grants		77	-	77	68
Total	6	8,835	797	9,632	9,362
Net gains/(losses) on investments		1,083	-	1,083	(291)
Net income		851	(88)	763	625
Transfers	12	-	-	-	-
Net movement in funds		851	(88)	763	625
Reconciliation of funds					
Total funds at 1 January		30,930	220	31,150	30,525
Total funds at 31 December	13	31,781	132	31,913	31,150

The notes on pages 25 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 2019**

	Notes	2019 £'000	2018 £'000
Fixed assets			
Tangible fixed assets	7a	13,819	13,857
Intangible fixed assets	7b	76	47
Investments	8	10,846	9,686
Total fixed assets		24,741	23,590
Current assets			
Legacies		5,071	4,785
Stock		29	37
Debtors	10	563	395
Cash at bank and in hand		1,987	2,899
Total current assets		7,650	8,116
Creditors: amounts falling due within one year	11	(478)	(556)
Net current assets		7,172	7,560
Net assets		31,913	31,150
Funds			
Unrestricted-General		31,781	30,930
Restricted	12	132	220
Total Funds	13	31,913	31,150

Approved by Council on



Treasurer
Ms C Dimes ACA CTA



Chairman of Trustees
Mr M Baines

The notes on pages 25 to 35 form part of these financial statements.

WORLD HORSE WELFARE**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

		2019	2018
	Notes	£'000	£'000
Net cash provided by operating activities	1	(616)	413
Cash flows from investing activities			
Interest received		10	10
Dividends received		232	215
Purchase of fixed assets		(566)	(351)
Proceeds from sale of fixed assets		28	-
Net cash provided by investing activities		(296)	(126)
Change in cash and cash equivalents in the reporting period		(912)	287
Cash and cash equivalents at the beginning of the reporting period		2,899	2,612
Cash and cash equivalents at the end of the reporting period	2	1,987	2,899
1 Reconciliation of net movement in funds to net cash flow from operating activities			
		2019	2018
		£'000	£'000
Net income for the reporting period		763	625
Investment (gains)/losses		(1,160)	218
Investment income		(242)	(225)
(Increase) in value of legacies		(286)	(670)
Depreciation & amortisation		575	560
(Profit) on sale of tangible fixed assets		(28)	-
Decrease/(increase) in stocks		8	19
Decrease/(increase) in debtors		(168)	(83)
Increase/(decrease) in creditors		(78)	(31)
Net cash provided by operating activities		(616)	413
2 Analysis of cash and cash equivalents			
		2019	2018
		£'000	£'000
Cash in hand		1,987	2,899

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 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 2019**

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.

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.

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019.

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.

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.

WORLD HORSE WELFARE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 2019

2 Donations and Legacies

	2019	2018
	£'000	£'000
Subscriptions and donations	2,168	2,215
Legacies	5,771	6,851
Donations from charitable trusts	368	322
	<u>8,307</u>	<u>9,388</u>

3 Other trading activities

	2019	2018
	£'000	£'000
Sales of refreshments & merchandise	307	300
Lotteries	194	119
Fundraising events	169	192
	<u>670</u>	<u>611</u>

Sales of refreshments & merchandise include donated goods which are mainly tack. Proceeds from the sale of these items were £35k (2018: £43k).

4 Income from investments

	2019	2018
	£'000	£'000
Dividends receivable	232	215
Bank and stock interest	10	10
	<u>242</u>	<u>225</u>

5 Other income

	2019	2018
	£'000	£'000
Rental and other income from land	65	53
Fees from other activities	-	1
Profit on sale of tangible fixed assets	28	-
	<u>93</u>	<u>54</u>

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6 Analysis of total expenditure	Governance £'000	Support £'000	Direct £'000	2019 £'000	2018 £'000
Refreshments & merchandise	-	-	111	111	119
Fundraising & publicity costs	61	225	2,144	2,430	2,679
Raising funds	<u>61</u>	<u>225</u>	<u>2,255</u>	<u>2,541</u>	<u>2,798</u>
UK Centres	73	326	2,932	3,331	3,010
UK Field Work	47	122	1,459	1,628	1,540
International	39	148	1,469	1,656	1,516
Campaigning	11	31	357	399	430
Grants	-	2	75	77	68
Charitable activities	<u>170</u>	<u>629</u>	<u>6,292</u>	<u>7,091</u>	<u>6,564</u>
Total	<u>231</u>	<u>854</u>	<u>8,547</u>	<u>9,632</u>	<u>9,362</u>
<i>Including audit fees of</i>				<u>15</u>	<u>14</u>
<i>Including foreign exchange differences of</i>				<u>3</u>	<u>3</u>
				2019	2018
Support costs include				£'000	£'000
IT				355	251
HR				252	175
Finance				159	176
Premises				88	80
				<u>854</u>	<u>682</u>
Operating leases (note 16)				<u>387</u>	<u>128</u>
Staff costs				2019	2018
				£'000	£'000
Wages and salaries				3,554	3,503
Social security				337	328
Pension costs				259	240
				<u>4,150</u>	<u>4,071</u>

Employee benefits totalling £109k (2018 £119k) were paid in respect of vehicles, including vans, private health and cash health plans and accommodation for farm staff. Holiday pay accrued totalled £45k (2018: £48k).

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 18. 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 £659k (2018: £658k).

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, one in the range £70,001-£80,000 and one in the range £60,001 to £70,000 (2018: one in the range £150,001 - £160,000, one in the range £80,001 - £90,000 and three in the range £70,001-£80,000 and one in the range £60,001-£70,000). These figures include benefits in kind of £17k (2018 £16k). Pension contributions for these employees were £46k (2018: £51k).

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

	2019	2018
Direct charitable activities	100	102
Fundraising	24	24
Management and	1	1
	<u>125</u>	<u>127</u>
The average head count during the reporting period was	<u>155</u>	<u>158</u>

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019	16,971	845	643	279	222	18,960
Additions	339	94	20	-	64	517
Disposals	-	(48)	-	-	-	(48)
31 December 2019	<u>17,310</u>	<u>891</u>	<u>663</u>	<u>279</u>	<u>286</u>	<u>19,429</u>
Depreciation						
1 January 2019	3,557	683	524	201	138	5,103
Charge for year	391	52	31	38	43	555
Disposals	-	(48)	-	-	-	(48)
31 December 2019	<u>3,948</u>	<u>687</u>	<u>555</u>	<u>239</u>	<u>181</u>	<u>5,610</u>
31 December 2019	<u>13,362</u>	<u>204</u>	<u>108</u>	<u>40</u>	<u>105</u>	<u>13,819</u>
31 December 2018	<u>13,414</u>	<u>162</u>	<u>119</u>	<u>78</u>	<u>84</u>	<u>13,857</u>

Land & Buildings are all freehold and include £1.9m (2018: £1.9m) of land which is not depreciated.

7b Intangible fixed assets

	Intangible IT £'000	Total £'000
Cost		
1 January 2019	74	74
Additions	49	49
Disposals	-	-
31 December 2019	<u>123</u>	<u>123</u>
Depreciation		
1 January 2019	27	27
Charge for year	20	20
Disposals	-	-
31 December 2019	<u>47</u>	<u>47</u>
31 December 2019	<u>76</u>	<u>76</u>
31 December 2018	<u>47</u>	<u>47</u>

WORLD HORSE WELFARE

**NOTES TO THE FINANCIAL STATEMENTS
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8 Fixed assets investments

	Land	Quoted Investments	Total
	£'000	£'000	£'000
Market value at 1 January 2019	1,587	8,099	9,686
Additions at cost	-	77	77
Net gains for the year	-	1,083	1,083
Market value at 31 December 2019	<u>1,587</u>	<u>9,259</u>	<u>10,846</u>

Investment in subsidiary undertaking at 1 January and 31 December 2019

-

The quoted investments held at 31 December 2019 are summarised as follows:

	2019 £'000	2018 £'000
Medium term fund: BNY MFM Ltd Newton Real Return Fund	3,557	3,166
Long term fund: Newton Global Growth and Income Fund for Charities	5,702	4,933
Total	<u>9,259</u>	<u>8,099</u>
Historic cost	<u>6,489</u>	<u>6,489</u>

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 2019.

9 Financial Instruments

	2019 £'000	2018 £'000
Financial assets measured at fair value	9,259	8,099

10 Debtors

	2019 £'000	2018 £'000
Trade debtors	3	4
VAT reclaimable	67	86
Prepayments and accrued	443	116
Other debtors	50	189
	<u>563</u>	<u>395</u>

11 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	201	304
Other taxes and social security	86	32
Accruals	191	220
	<u>478</u>	<u>556</u>

WORLD HORSE WELFARE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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

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 2020.

Reference:

- The Belwade Farm fund is for the charity's work in Scotland at the Belwade Rescue & Rehoming Centre.
- The China fund is for building relationships and assessing the equine welfare issues.
- The International fund is to empower families in working horse-owning communities around the world.
- These are donations which specifically restrict the terms for expenditure to be used for direct Charity work as distinct from indirect administrative overheads.
- These are donations that fund the retraining and rehoming of former racehorses.

13 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

14 Capital commitments

	2019 £'000	2018 £'000
Capital commitments at 31 December in respect of expenditure:		
Penny Farm	1	271

15 Trustees' Expenses and Related Party Transactions

Trustees received no remuneration or any other benefits. Expenses of £4k (2018: £11k) for travel (including air fares), subsistence, telephone, postage and stationary expenses incurred on Charity business were reimbursed or paid directly for 6 (2018:7) Trustees. There have been no related party transactions in the period which require disclosure.

WORLD HORSE WELFARE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16 Operating Lease Commitments

The Charity as lessee:

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

	2019		2018	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Within one year	3	114	36	53
Within two to five years	-	270	3	36
	3	384	39	89

17 Comparative SOFA by fund

	Unrestricted Funds	Restricted Funds	Total 2018
	£'000	£'000	£'000
Income from			
Donations and legacies	9,098	290	9,388
Other trading activities	611	-	611
Investments	225	-	225
Other	54	-	54
Total	9,988	290	10,278
Expenditure on			
Raising funds	2,798	-	2,798
Charitable activities			-
UK Centres	2,912	98	3,010
UK Field Work	1,522	18	1,540
International	1,445	71	1,516
Campaigning	425	5	430
Grants	68	-	68
Total	9,170	192	9,362
Net gains on investments	(291)	-	(291)
Net income/(expenditure)	527	98	625
Transfers	3	(3)	-
Net movement in funds	530	95	625
Reconciliation of funds			
Total funds at 1 January 2018	30,400	125	30,525
Total funds at 31 December 2018	30,930	220	31,150

WORLD HORSE WELFARE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

18 Comparative restricted funds

	Balance 1.1.18 £'000	Movement in Funds Incoming £'000	Outgoing £'000	Transfers £'000	Balance 31.12.18 £'000
Belwade Farm	-	38	29	-	9
Guatemala	-	5	5	-	-
Capital items	-	3	-	(3)	-
Scotland	-	4	-	-	4
China	107	100	50	-	157
Hall Farm	-	36	36	-	-
Mexico	-	21	21	-	-
Penny Farm	-	17	17	-	-
Non admin Charity work	-	64	16	-	48
Field Officers	18	2	18	-	2
	<u>125</u>	<u>290</u>	<u>192</u>	<u>(3)</u>	<u>220</u>

19 Comparative analysis of net assets between funds

Funds	Tangible Fixed Investments Assets £'000	Legacies & £'000	Cash £'000	Other Net current assets £'000	Total 2018 £'000	Total 2017 £'000
Unrestricted general	13,904	14,471	2,679	(124)	30,930	30,400
Restricted	-	-	220	-	220	125
Total	<u>13,904</u>	<u>14,471</u>	<u>2,899</u>	<u>(124)</u>	<u>31,150</u>	<u>30,525</u>

20 Post Balance Sheet Events

The financial statements were authorised for issue on 30th July 2020. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 December 2019, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There were no adjusted post balance sheet events for the 2019 financial statements.

Where events taking place before this date did not relate to conditions at the balance sheet date but provided information that is relevant to an understanding of the Charity's financial position, these events are disclosed as part of this note.

At 31 December 2019, whilst Coronavirus (COVID-19) existed, the severity of the virus and the responses to the outbreak including the impact on businesses and operations globally, occurred after this date. Most of the charity's activities have continued throughout the outbreak, having been adapted where necessary. For example, rehoming of horses continued, using technology to carry out assessments remotely. The exception to this is the temporary closure of the visitor centres in order to ensure the safety of staff and visitors. This does not have a significant financial impact on the charity so has not been adjusted for in the 2019 financial statements. The charity's investments have decreased in value since the balance sheet date but are subsequently recovering. These investments are held for long term gain so short term fluctuations are expected and do not impact on the future plans of the charity. This therefore has also not been adjusted for in the 2019 financial statements.

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