

**The Mare and Foal Sanctuary
(A Company Limited by Guarantee)**

**Trustees' Report and Consolidated Financial Statements
For the Year Ended 31 October 2019**

**Charity Number: 1141831
Company Number: 07584914**

The Mare and Foal Sanctuary

Report and Financial Statements

Year Ended 31 October 2019

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The Mare and Foal Sanctuary

Reference and Administrative Details

Year Ended 31 October 2019

The Mare and Foal Sanctuary is a registered charity and company limited by guarantee and does not have any share capital.

Trustees

The Trustees of the Charity who served during the year were:

Trustees:

Nigel Brown	
James Fitzpatrick	
Elizabeth Gaffer	Chair
Donna Hallett	
Robert Lovell	
Louise Sharpe	(Resigned 10 September 2019)
Maureen Rolls	(Appointed 30 April 2019)

Principal and Registered Office:	Honeysuckle Farm Hacombe with Combe Newton Abbot Devon TQ12 4SA
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Registered Charity No.	1141831
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Registered Company No.	07584914
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Bankers:	NatWest Bank plc 48 Courtenay Street Newton Abbot TQ12 2EE
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Auditors:	PKF Francis Clark Sigma House Oak View Close Edginswell Park Torquay TQ2 7FF
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Solicitors	Boyce Hatton Torquay TQ1 1DE
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	WBW Newton Abbot TQ12 2QP
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Investment manager:	Rathbone Brothers Plc Southerhay Gardens Exeter EX1 1UG
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The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2019

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

1.1 Legal status

The Mare and Foal Sanctuary is a registered charity (number 1141831) and a company limited by guarantee (number 7584914).

1.2 Policies adopted for the recruitment, induction and training of trustees.

The existing trustees have the power to appoint new trustees. All new trustees are provided with Charity Commission published guidance on the responsibilities of being a trustee and a trustee job description. They are introduced to the Charity and its aims by receiving a tour of the site and meeting management, staff and current trustees.

Training in the work of trustees is also made available before appointment and through a trustee induction plan once appointed. There is an active programme of governance development for trustees.

1.3 Organisational structure

The charity is managed through the following areas:

- (a) Horse care teams deliver the care, rehabilitation, retraining and rehoming of the horses and ponies in sanctuary.
- (b) The equine welfare outreach and loan home teams deliver direct support to carers of equines on loan from us and in private ownership. They also educate and advise the public to reduce future welfare cases and improve general equine knowledge.
- (c) The Education team delivers equine assisted learning programmes and activities for children, young people and adults, which also reduces future welfare cases, improve general equine knowledge. These programmes also have developmental, social and therapeutic outcomes for people of all ages.
- (d) Income generation and communications including direct fundraising and management of our charity shops.
- (e) Management and administration including Volunteering, HR, ICT, accounts and maintenance of our estate.

1.4 Governance and management

The trustees meet at least bi-monthly and are in close contact with the senior management team. They receive regular updates regarding issues at the Sanctuary and are able to respond accordingly. These updates include:

- Delivery plan performance reports with KPIs and benchmarking data
- Risk register exception reports and focused reviews of specific high risk items
- Management accounts with budget variance reports and balance sheets
- The Chief Executive's overview update of all key service areas and developments.

The board delegates specific responsibilities and activities to the four committees of the Board: Equine Committee, Finance, Investment and Audit Committee, Rewards and Remuneration Committee, and Fundraising Committee.

No major decisions or expenditure can be made without consultation and approval of the trustees.

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The trustees are in the process of adopting the Charity Governance Code and starting to work towards full compliance.

Day to day management is delegated to the Chief Executive who reports to the Board of Trustees bi-monthly at meetings, and at other times as required. There is regular, collaborative contact with the Chair of the Board of Trustees.

Elizabeth Gaffer is Chair of Trustees.

1.5 Risk management

The Trustees have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Charity and are satisfied that systems are in place to mitigate our exposure to the major risks. We are developing a risk management framework which identifies and manages all significant strategic and operational risk. A corporate risk register has been approved by trustees. Specific risks are managed by the relevant Committees with strategic risks managed by the Board as a whole.

1.6 Trustees indemnity

In accordance with normal commercial practice the charity has purchased insurance to protect Trustees from claims arising from negligent acts, errors or omissions occurring whilst on charity business. The insurance provides cover up to £1,000,000 on any one claim.

2.0 Strategic report

The sections below, up to and including plans for the future, comprise the company's strategic report for the year.

2.1 OBJECTIVES AND ACTIVITIES

The charity's objectives are:

- (1) To rescue and provide care for and prevent cruelty and suffering amongst horses and ponies that are in need of attention by reason of sickness, maltreatment or ill-usage, or other like causes, and to provide temporary or permanent homes for such horses or ponies;
- (2) To advance the education of the public in matters relating to the welfare of horses and ponies and the prevention of cruelty and suffering amount horses and ponies;
- (3) To relieve those children, young people and adults in need (in particular but not limited to those with physical, mental, social or emotional difficulties or disadvantages) by providing equine-assisted learning and therapeutic activities, in order to enhance their education and make their lives better through (but not limited to) appropriate provision of facilities for riding, handling or coming into contact with horses and ponies.

The Mare and Foal Sanctuary has set the following strategic objectives for 2019-2023 based on its most recent charitable activities:

- Objective 1 We love and value horses and ponies. As sentient beings, they deserve our kindness and care. Unfortunately, there is still a need to rescue, rehabilitate and rehome horses and ponies – and to educate people how to care for them.
- Objective 2 We have lived experience of how horses have made a difference to our lives. We know how to make a difference to other people's lives through horses.

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Year Ended 31 October 2019

- Objective 3 Caring for horses and ponies – and being with them outside in nature – is good for our health, happiness and wellbeing too.
- Objective 4 We value people too. But this is not our main area of expertise, so we work in partnership with organisations who do have this expertise.

2.2 Public Benefit

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set.

2.2.1. Our values

Our values of 'Kindness, Care and Knowledge' embrace humans and equines together. We are experts in rescuing, rehabilitating and retraining horses and ponies through a needs-led, behavioural approach based on current veterinary and equine sciences. We teach people how to look after horses and ponies, and to respect animals in general. We also do this through local awareness raising campaigns and by providing advice, support and welfare education through programmed activities and by phone and email.

We aim to educate the general public, as well as those involved directly with equines, advising owners and carers, but also educating those who may contribute inadvertently towards the suffering. There are very few cases of deliberate cruelty, which is why the educational and advice work is so important to prevent welfare issues becoming a crisis or a case for prosecution.

2.2.2. National and local equine welfare activities

We work alongside other major equine welfare organisations, such as the RSPCA, Redwings, World Horse Welfare and Brooke through our membership of the National Equine Welfare Council and the national Chief Executives of British Equine Charities group. Members of this group are also representatives of the British Horse Council, which is the link to government and enables us to influence national policy and legislative development.

Our membership of the National Equine Welfare Council and Chief Executives of British Equine Charities group enables us to be part of welfare interventions and rescues across the whole of the UK and increases our links and collaborative work with other related charities and equine welfare groups. As an approved rescue centre and regional charity, we take responsibility for liaising locally smaller equine sanctuaries, local groups and keen individuals such as Hill Pony Resources in order to maintain contact in case support is needed. Often these smaller local groups ask us to take on ponies and horses which they cannot care for as they do not have the specialist knowledge or facilities that we have developed. We also support them by providing horse passport, microchipping and gelding clinics, which ensures that all equines have a value and are on the national database. We also work locally with the police and emergency services when horses and ponies have strayed and are developing training for emergency service staff to be able to handle horses and ponies during rescues.

We continue to increase our links with external education organisations, including involvement again this year with both Bicton and Duchy Colleges. We have had school and college groups visit our sites to learn about equine welfare. We also offer short work placements and research opportunities for students on higher education equine sciences courses.

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Trustees' Report

Year Ended 31 October 2019

2.2.3. Equine Assisted Learning programmes

We have developed our own inclusion programmes for children and young people with additional support needs which include horse care and riding activities. As an approved centre of the British Horse Society, we also deliver its Changing Lives Through Horses national programme for young people at risk of disengagement from education, employment and training. We are developing our equine assisted learning programmes for adults, ranging from leadership development to supported volunteering for adults with additional support needs. We are active members of Horses in Education and Therapy International, which is a long-standing community of practice for therapeutic riding and equine assisted learning and therapies. We attend and also host their twice-yearly forums. Locally we are active members of local networks for organisations working with children and young people and for providers of outdoor learning activities.

2.3 ACHIEVEMENTS AND PERFORMANCE

Since 2012 there has been a national horse crisis, which charities including ourselves first highlighted, due to equine overbreeding and horse owning members of the public getting into difficulty due to economic challenge. The National Equine Welfare Council, of which we are members, has noted a considerable increase in calls to the equine advice lines and equine rescue requests. This continuing need for high level of welfare interventions means that we run at full capacity for the majority of the time, with any available space in the sanctuary being quickly filled by new rescue or rehoming cases. We are seeing an increase in the need for rescuing larger groups of horses and ponies, rather than individual horses and ponies needing welfare interventions. We are also seeing horses and ponies that are owned by the sanctuary as a result of previous welfare interventions being returned to us more frequently as their carers economic circumstances change and they can no longer afford the time to look after these equines at home. We often provide support with carers' costs, such as veterinary check and medicines, but being able to provide the correct, safe environment and having time to care for equines is becoming an increasing issue amongst our carers, resulting in equines being returned to sanctuary.

We are also starting to see smaller equine sanctuaries and welfare groups running into financial and practical difficulty and have been involved in two major welfare interventions over 2018-19 which involved smaller sanctuaries closing down due to financial and resource issues.

Equine welfare:

There were 42 equines requiring admission to sanctuary for welfare intervention in 2018-19. This number may seem small compared to larger equine welfare charities, but we often take on the cases that are the most difficult and require more specialist care, for example groups of semi-feral mares in foal, who then give birth in sanctuary.

There was an average of 202 horses in sanctuary. 469 horses and ponies were on loan to carers. At the end of the year, 22 horses and ponies had been retrained and were available for rehoming.

Equine advice:

There were 251 separate episodes of advice resulting in positive welfare outcomes. This advice was given face-to-face, by phone and by email.

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Education and Therapy:

20 individuals completed equine assisted learning programmes, including our own 6 week inclusion programme and the BHS national programme Changing Lives Through Horses. 2018-19 was the first complete year for the small Education team, developing and piloting these programmes. Additional members of staff were recruited to this team over the year in order that we can extend the range of equine assisted learning programmes in future.

The Education team also leads safeguarding on a day-to-day basis and over 2018-19 reviewed policies and procedures and delivered further training to ensure that safeguarding was well-established across the sanctuary before programmes for children, young people and adults were introduced.

Supporter Engagement:

During 2018-19, we invited our local community to engage with our work and provided the opportunity for people to connect with our horses and ponies. We delivered our Midsummer Ride and Well Horse, Well Rider events aimed at the equestrian owning community, and welcomed hundreds of patrons to our Family Fun Day and 'Charity Tuesday' events at the Coombe Park site and our Open Day at the Upcott Park site.

136 volunteers were involved in giving their time to the sanctuary over 2018-19. This includes volunteers who work in our shops and provide additional staffing in caring for horses on the yards. We also increased our opportunities for adults with additional support needs to undertake supported volunteering.

2.4 FINANCIAL REVIEW

The charity is heavily reliant upon donations from its supporters. Donation and gifts of £2,269,816 (2018 £2,139,562) were received in the year, this pays for the day to day shelter and food for the equines in our care and other charitable expenditure. We also received £2,097,409 (2018 £2,887,856) of legacies during the year which makes a huge difference. Over recent years it has been this legacy and regular donation income that has allowed the charity to increase its capacity and diversify its use of the sites it owns. We are extremely grateful to all of our loyal supporters who share our values and goals. Total expenditure of £4,582,176 (2018 £4,053,126) was incurred during the year, we regularly review our expenditure to ensure we get the best value possible. The surplus for the year was £521,375 (2018 £1,947,045) and this has been utilised to increase our free reserves to ensure of future financial resilience.

2.5 PRINCIPAL RISKS AND UNCERTAINTIES

Specific Key risks:

Loss of key staff – Over the past 18months the sanctuary has experienced significant changes in its organisational arrangements including changes to key staff. These changes resulted in uncertainty for all staff and an increased risk of the loss of key personnel. We have invested in our recruitment and retention activity including a salary review, improved performance management processes and reviews of satisfaction.

Fall in donor income and retained reserves – Economic conditions and increased competition for donations and voluntary support will potentially reduce income below the levels required to continue to provide our core services. We are also carrying out significant development activity which initially will result in costs being higher than income streams. We are carrying out comprehensive efficiency reviews of all areas of sanctuary and are investing in our fundraising and income generating team to ensure long term resilience.

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Safeguarding – Inadequate application of policy, procedures, training and awareness could present a safeguarding risk to staff, volunteers, supporters and beneficiaries. We have appointed a team of trained staff to lead on safeguarding. They have ensured all staff receive adequate training. Awareness raising activities have been carried out throughout the sanctuary and we consider our policies and procedures to be fully embedded.

Supplier dependency – We have a number of key suppliers principally supporting our fundraising activity. It has been some time since the tendering processes for these services was undertaken and there is a risk that the relationship could become too comfortable. We have started to more actively performance manage these key supplier relationships to ensure value for money and high quality levels of service. We continue to undertake regular review of our procurement processes, including tendering for major service contracts.

Data governance – Failure to maintain up-to-date data protection and information governance arrangements, in line with legislative, regulatory and contractual requirements, may result in a mishandling of data. We have a data protection officer and have undertaken a review of data we hold, our storage procedures and have implemented a data handling policy.

2.6 RESERVES POLICY

The trustees consider the need to deliver our core services and to hold sufficient reserves to ensure sustainability in the light of uncertain and fluctuating income streams and cashflows.

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately nine months budgeted expenditure (excluding retail expenditure) this being around £3,500,000. In arriving at the “free reserves” amount the Trustees take the view the designated development fund and the designated property fund are not free reserves. These funds are linked to the charity’s fixed assets at the start of the year and capital programme for the year and the realisation of these funds would require disposal of property, land and other assets which could be time consuming.

The trustees believe that this will provide sufficient free reserves to cover any unforeseen circumstances that may arise and the charity has retained in excess of this figure at 31 October 2019.

The designated property fund for the group ended the year with a balance of £7,396,816. This reserve is to reflect the funds tied up in capital investments in farms and associated equipment.

The designed charity development fund has decreased to £1,080,000. This reflects the capital expenditure planned for 2019/20.

2.7 INVESTMENT POLICY

The Trustees have the power to administer and manage the assets of the charity. They have delegated the preparation of advice on the invested parts of these assets to an investment subcommittee comprising of two Trustees, the Director of Finance and the Chief Executive.

The Sanctuary appointed Rathbones to act on their behalf to professionally manage allocated funds on a discretionary basis and have entered into a formal written agreement with them. The sum invested with Rathbones has increased and now stands at around £3 million. This amount will be reviewed bi-annually by the Finance, Investment and Audit Committee.

The Charity has highlighted to its fund manager that investment decisions must be made with an awareness of the Charity's sensitivity to animal testing and animal related issues which may cause pain or suffering.

The fund manager meets at least yearly with the charity’s Finance, Investment and Audit Committee, when the amount invested and the stated investment objective will be reviewed.

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The investment objective is to reduce the level of finance investments of the period of our corporate strategy 2019-2023. In the meantime, we should attempt to preserve the invested sum through a balanced and diversified investment portfolio adopting a medium/low risk approach. We are developing a programme related investment approach. As we transition between the approaches the amount invested in this portfolio as a percentage of total available funds should not be limited but will be kept under review.

2.8 OUR FUNDRAISING PRACTICES

The majority of fundraising income is obtained from our loyal supporters. Our direct marketing includes sending fundraising appeals, informative newsletters and an annual calendar and this work is led and undertaken by the Fundraising department. The production and fulfilment of these mailings is supported by a contracted third party, with whom we manage and regularly monitor the work undertaken. Each mailing enables us to demonstrate our work and the impact it has on the horses and ponies we rescue, and provides a response mechanism for the donor, including options to donate and update their communication preferences, containing clear instructions on how to be removed from our mailing lists.

Each year, we also undertake an annual survey to obtain our supporter's feedback on the frequency of communications and ensure that we are meeting their expectations.

In addition to direct marketing, our fundraising department engages in digital fundraising, sending informative news updates and fundraising appeals by email (where donors have opted in to receive marketing by email), organises events, runs our adoption scheme, supports fundraisers in the community and sources grant funding.

There have been 9 complaints about fundraising activities this year. We are committed to delivering the best level of service at all times to everyone who engages with our charity including beneficiaries, supporters and the community. We reviewed our Complaints Policy and procedure at the end of the 2018-19 period, we have a designated Complaints Coordinator and follow our procedure and promise that sets out to:

- provide a responsive and timely service to the complainant
- treat all complaints seriously and investigate them thoroughly
- resolve complaints promptly
- be open and honest in our dealings with the complainant
- learn from complaints and take action to improve our service

The Mare and Foal Sanctuary is registered with the Fundraising Regulator and abides by the Code of Fundraising Practice. Fundraising staff attend regular training and conferences to ensure that they up to date with the Code. All our fundraising guidance and working practices are routinely reviewed and updated accordingly.

2.9 PLANS AND FUTURE DEVELOPMENTS

In November 2018 the Board of Trustees approved a corporate strategy for 2019-23, the key objectives for which are described above in section 2.2.

These are some of our high-level plans for development:

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2019

2.9.1. Equine Welfare

We plan to extend our involvement in the National Equine Welfare Council's more complex crisis welfare interventions and rescues. Having taken part in some of these recently, we have learnt that we have experience and expertise that we can contribute which is equal to that of the larger national equine welfare charities, although we have smaller facilities and fewer resources compared to them. We have particular expertise in handling semi-feral ponies and horses safely and in ways that minimise trauma which we intend to share further.

We are revising how undertake behavioural assessments of equines and are training staff to use these.

We also plan to extend our ability to take in groups of horses and ponies that have been rescued by acquiring 'green yards' as holding centres.

We will continue to prevent future welfare issues for moorland ponies by offering pony keepers access to gelding, microchipping and passports for their herds.

2.9.2. Equine advice, support and welfare education to prevent welfare issues in future

We plan to develop the capacity of our equine welfare team to meet higher volumes of requests for help along with advice resources that can be accessed through direct contact with our team and online.

We are also developing a scheme for direct rehoming, where we support private horse owners to find new owners for their horses rather than these equines becoming welfare cases and coming into sanctuary.

2.9.3. Engaging the local equestrian and non-equestrian communities

We are carrying out a significant capital expenditure for the repair and renovation of our yard and indoor arena at our Coombe Park site in order that we can relaunch our range of educational events and activities for horse and pony owners and can offer more educational engagement sessions for the local equestrian community.

We are also developing a range of events and learning opportunities for families to spend time outside in nature with our rescued horses and ponies.

We will open all of our sites to visitors through a range of planned open days so that members of the public can learn more about our work at all our sites, as well as seeing the full range of welfare, rehabilitation and retraining work that we carry out, rather than just seeing the equines that are ready for rehoming. This will be done with the needs of the equines uppermost, ensuring those that are not happy with contact from humans are not disturbed by these open days.

2.9.4. Equine Assisted Learning and Education

Having invested in additional staff in the Education team, we are developing a range of equine assisted learning programmes for adults. These will build on the work we are already doing with children and young people, including extending opportunities for care of equines, handling and riding activities to adults. We will continue to develop additional opportunities for children and young people to continue to stay in contact with equines in our care when they have completed our equine assisted learning programmes.

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Year Ended 31 October 2019

2.9.5. Working with organisations who work with people

We plan to extend our educational programmes and outdoor learning opportunities to community and voluntary groups who provide support to people of all ages. In particular, we plan to offer access to horses and ponies through equine assisted learning activities to people who would not usually come into contact with them due to disadvantage or social exclusion. This includes building on our outreach programmes where we take ponies and horses into educational, health and care, and community settings.

We are also developing follow-on programmes for people who have already attended specialist equine assisted therapeutic recovery programmes with other providers and who want to stay in contact with equines.

We are also developing our collaborations with organisations which provide specialist support for adults through our supported volunteering programmes.

Sustainability

The charity is developing a 25 year rolling sustainability plan for exemplary equine welfare and site management which promotes nature conservation and preserves resources. We are beginning to experiment with allowing our hedges to grow higher to provide natural shelter for horses, returning our grazing to traditional hay meadows, which are grazed for part of the year and which will continue to give us our own hay crop. We are also looking at how we can combine the need for more intensive grazing as the numbers of horses in sanctuary grows with more holistic approaches to grazing and land management. We are considering how we can move to sustainable energy sources and we will be reviewing our approach to the types of vehicles we use for welfare activities.

Equality, Diversity and Inclusion

The charity is developing its Equality, Diversity and Inclusion Policy and Action Plan. The trustees recognise that the Board is more effective if it includes a variety of perspectives, experiences and skills. We also recognise that often people from groups of people who identify with the none protected characteristics of the Equalities Act 2010, as well as people from lower socio-economic backgrounds, are those who also have historically had less access to involvement with horses and ponies and outdoor learning and nature-based activities. The Mare and Foal Sanctuary is ideally located to offer opportunities for people from Torbay and Plymouth coastal conurbations, which have higher levels of economic deprivation, to access horses, ponies and nature-based activities.

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2019

3.0 TRUSTEES' RESPONSIBILITIES STATEMENT

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

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK 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 operation.

The Trustees are responsible for keeping 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 1993, the Charity (Accounts and Reports) Regulations 2008 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.

This report was approved by the Trustees on 25 February 2020 and signed on their behalf, by:

Elizabeth Gaffer
Chair of Trustees

The Mare and Foal Sanctuary

Independent Auditor's Report to the Members of The Mare and Foal Sanctuary

Year Ended 31 October 2019

Opinion

We have audited the financial statements of Mare and Foal Sanctuary (the 'Charity') and its subsidiaries (the 'Group') for the year ended 31 October 2019, which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows 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 affairs of the Group and the Charity as at 31 October 2019 and of the Group's results 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group 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 Group'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.

Other information

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

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Independent Auditor's Report to the Members of The Mare and Foal Sanctuary

Year Ended 31 October 2019

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, 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 Group's and 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 Group or 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.

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Independent Auditor's Report to the Members of The Mare and Foal Sanctuary

Year Ended 31 October 2019

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

Use of our report

This report is made solely to the Charity's Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its Members as a body, for our audit work, for this report, or for the opinions we have formed.

Sharon Austen FCCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor
Sigma House
Oak View Close
Edginswell Park
Torquay
Devon
TQ2 7FF

Date: 2 March 2020

The Mare and Foal Sanctuary

Consolidated Statement of Financial Activities (Incorporating Income & Expenditure Account)

Year Ended 31 October 2019

	Note	Total Funds 2019 £	Total Funds 2018 £
Income			
Donations and legacies	3	4,367,225	5,356,338
Charitable activities	4	15,074	21,497
Other trading activities	5	487,220	644,508
Investment income	6	68,926	47,705
Total Income		4,938,445	6,070,048
Expenditure			
Raising funds	7	1,564,668	1,543,917
Charitable activities	8	3,017,508	2,509,209
Total Expenditure		4,582,176	4,053,126
Net (losses) / gains on investments		165,106	(69,877)
Net income		521,375	1,947,045
Net movement in funds		521,375	1,947,045
Reconciliation of Funds			
Total funds at 1 November 2018		12,453,865	10,506,820
Total funds at 31 October 2019		12,975,240	12,453,865

The Mare and Foal Sanctuary

Consolidated Balance Sheet

31 October 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	11	7,396,813	6,965,847
Investments	12	2,974,997	2,786,011
		10,371,810	9,751,858
Current assets			
Stock	13	30,031	29,324
Debtors	14	1,688,093	1,806,115
Cash at bank and in hand	15	1,087,184	1,019,095
		2,805,308	2,854,534
Liabilities			
Creditors - Amounts falling due within one year	16	(201,878)	(152,527)
Net current assets		2,605,930	2,702,007
Net assets		12,975,240	12,453,865
Funded by:			
Designated funds	17	8,476,813	11,051,758
General funds	17	4,498,427	1,402,107
Total funds	17	12,975,240	12,453,865

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006, relating to small companies.

Approved by the Board of Trustees on 25 February 2020 and signed on its behalf by

Elizabeth Gaffer
Chair of Trustees

Company Registration Number: 07584914

The Mare and Foal Sanctuary

Balance Sheet

31 October 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	11	7,396,813	6,651,707
Investments	12	2,974,997	2,786,010
		10,371,810	9,437,717
Current assets			
Stock	13	30,031	29,324
Debtors	14	1,688,093	1,711,331
Cash at bank and in hand	15	1,087,184	1,000,226
		2,805,308	2,740,881
Liabilities			
Creditors - Amounts falling due within one year	16	(201,878)	(146,194)
Net current assets		2,605,929	2,594,687
Net assets		12,975,240	12,032,404
Funded by:			
Designated funds	17	8,476,813	10,737,617
General funds	17	4,498,427	1,294,787
Total funds	17	12,975,240	12,032,404

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006, relating to small companies.

Approved by the Board of Trustees on 25 February 2020 and signed on its behalf by

Elizabeth Gaffer
Chair of Trustees

Company Registration Number: 07584914

The Mare and Foal Sanctuary

Consolidated Statement of Cash Flows

31 October 2019

	Note	2019 £	2018 £
Reconciliation of net movement in funds to net cash flow from operating activities:			
Net income		521,375	1,947,045
Adjustments to cash flows from non-cash items:			
Depreciation	11	232,785	199,480
Investment management fees		19,867	18,811
Returns on investments and servicing of finance		(45,057)	(38,275)
Non-cash legacy income		-	(250,217)
(Profit)/loss on sale of fixed assets		82	(2,310)
Revaluation of Investments		(165,106)	69,877
(Increase) in stock		(707)	(13,955)
(Increase) / Decrease in debtors	14	118,022	(987,157)
(Decrease) / Increase in creditors	16	49,713	(10,381)
Non-cash assets acquired with subsidiary		-	(319,445)
Net cash provided by operating activities		730,974	613,473
Cash flows from investing activities			
Interest income		1,310	914
Proceeds from the sale of fixed assets		7,792	4,950
Acquisitions of tangible fixed assets		(671,625)	(557,252)
Purchase of listed investments		-	(450,000)
Sale of investments		-	20,001
Cash used in financing activities		(662,523)	(981,387)
Cash flows from financing activities			
Repayments of borrowings		(362)	(362)
		(362)	(362)
(Decrease) / Increase in cash and cash equivalents in the year		68,089	(368,276)
Cash and cash equivalents at the beginning of the year		1,019,095	1,387,371
Cash and cash equivalents at the end of the year		1,087,184	1,019,095

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2019

1 Accounting Policies

a) Basis of Preparation

The financial statements have been prepared under the historical cost convention with items being recognised at cost or transaction value unless otherwise stated in the notes to these accounts.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS 102)), and with the requirements of the Companies Act 2006.

The charity constitutes a public benefit entity as defined by FRS102.

The functional and presentational currency is sterling.

b) Going Concern

These accounts have been prepared on a going concern basis.

c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2019

1 **Accounting Policies** *(continued)*

d) **Critical accounting judgements and key sources of estimation uncertainty**

In application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The key critical judgement and estimate that the trustees have made in the process of applying the company's accounting policies and that has the most significant effect on the amounts recognised in the financial statements is in respect of legacy income recognition. For those legacies which are probable, and therefore are included within income, but for which the final amount is not confirmed, the trustees have decided to generally recognise 80% of the expected income and deduct a further £5,000 for those legacies including property, except when specific circumstances apply.

e) **Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts donated for resale are included in income when they are sold. Donated services or facilities, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

f) **Expenditure**

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources:

Raising funds are those costs incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. They include the costs incurred in operating the charity's shops.

Charitable activities include expenditure associated with the welfare, grazing and stabling of horses and ponies.

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2019

1 Accounting Policies *(continued)*

Irrecoverable VAT is included in the Statement of Financial Activities under the appropriate expenses heading.

g) **Tangible fixed assets and depreciation**

Fixed assets are included at cost less depreciation. Depreciation is not charged on freehold land.

Depreciation is calculated so as to write off the cost of an asset less its estimated residual value over the useful economic life of that asset on a straight line basis as follows:

Freehold buildings	2%/4%/10% per annum
Motor vehicles	20% per annum
Furniture, fittings and equipment	20% per annum
Database	20% per annum

h) **Operating lease agreements**

Rentals applicable to operating leases are charged to the SOFA on a straight line basis over the period of the lease.

i) **Stock**

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Cost includes all direct costs.

j) **Investments**

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the period.

k) **Financial Instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. The company holds the following financial instruments, all of which are considered to be basic:

- Short term trade and other debtors and creditors

l) **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and one subsidiary undertaking (South West Equine Protection Limited, company number 1087579, charity number 04141827). These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of Section 408 of the Companies Act 2006.

The company has another subsidiary undertaking, The Mare and Foal Sanctuary Trading Limited, which is wholly immaterial to the group, and, accordingly, has not been consolidated. Further details regarding the subsidiary undertakings are given in note 12 to the accounts.

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2019

1 Accounting Policies *(continued)*

South West Equine Protection Limited has been consolidated from the date it became a subsidiary of The Mare and Foal Sanctuary. The reserves from South West Equine Protection Limited at this date have been included within the consolidated income figures.

m) Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amount payable by the company to the pension fund in respect of the year.

2 Charitable Status

The charity is a company limited by guarantee and is registered with the Charity Commissioners for England and Wales. The members of the company are the trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The charitable company was incorporated in England and Wales.

3 Income from donations and legacies

	2019 £	2018 £
On acquisition of subsidiary	-	328,920
Donations and gifts	2,269,816	2,139,562
Legacies	2,097,409	2,887,856
Total	4,367,225	5,356,338

4 Income from charitable activities

	2019 £	2018 £
Adoptions	10,141	9,871
Shows and rides	4,933	11,626
Total	15,074	21,497

5 Income from other trading activities

	2019 £	2018 £
Shop takings	485,040	590,074
Coombe Park facility hire	826	23,147
Cafe and Gift Shop	1,354	31,287
Total	487,220	644,508

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2019

6 Investment Income

	2019 £	2018 £
Rent	23,869	9,430
Investment income	43,747	37,361
Interest receivable	1,310	914
Total	68,926	47,705

7 Analysis of expenditure on raising funds

	2019 £	2018 £
Advertising	6,631	9,700
Other costs	93,224	36,934
Printing and postage	551,437	618,926
Database management	25,572	19,619
Banking charges	16,749	5,889
Investment management fees	19,867	18,811
Wages and salaries	326,774	192,478
Charity shops – overheads and cost of goods sold	411,013	507,125
Café and gift shop – overheads and cost of goods sold	1,466	13,419
Support costs	111,935	121,016
Total	1,564,668	1,543,917

8 Analysis of expenditure on charitable activities

	2019 £	2018 £
Animal feed and general welfare	151,359	169,470
Veterinary and Blacksmiths fees	263,867	226,607
Passports	907	448
Rent	11,609	5,930
Other property costs	63,108	49,545
Repairs, maintenance and cleaning	250,336	189,427
Motor and travel (including staff fares)	24,117	2,726
Telephone	8,344	-
Sundry expenses	28,511	17,799
Wages and salaries	1,016,941	793,903
National Insurance	70,675	51,574
Pension costs	13,229	-
Trustees' indemnity insurance	1,436	1,305
Support costs	1,113,069	1,000,475
Total	3,017,508	2,509,209

All expenditure on charitable activities is incurred for the provision of sanctuary and welfare.

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2019

9 Analysis of support costs

	Raising Funds £	Charitable Activities £	Total 2019 £	Total 2018 £
Motor, travel and subsistence	284	28,050	28,334	37,912
Bank and credit card charges	-	8,242	8,242	29,366
Establishment costs	28,454	22,341	50,795	41,176
Postage, printing, stationery and office	2,251	9,604	11,855	19,631
Telephone and communication	6,486	13,629	20,115	16,077
Sundry expenses	1,159	38,013	39,172	35,190
Light and heat	13,107	11,670	24,777	23,818
Repairs and renewals	37,266	52,807	90,073	73,854
Loss on disposal of fixed assets	-	82	82	(4,950)
Professional fees	3,109	34,046	37,155	20,988
Wages and salaries	10,656	587,483	598,139	529,669
National Insurance	741	40,829	41,570	34,408
Pension cost	230	9,013	9,243	12,744
Recruitment costs	-	7,780	7,780	33,756
Depreciation	8,192	224,592	232,784	199,480
Auditor's remuneration	-	10,000	10,000	13,000
Other accountancy fees	-	14,888	14,888	5,372
Total	111,935	1,113,069	1,225,004	1,121,491

10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2019 £	2018 £
Wages and salaries	2,156,018	1,790,461
Social security costs	140,964	116,347
Pension costs	30,304	14,678
Total	2,327,286	1,921,486

The average number of employees (headcount) during the year was:

	2019 Number	2018 Number
Charity shops	22	26
Provision of sanctuary and welfare	89	76
Fundraising	15	15
Total	126	117

The number of FTE equivalent employees during the year was:

	2019 Number	2018 Number
Charity shops	15	19
Provision of sanctuary and welfare	76	64
Fundraising	13	11
Total	104	94

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2019

10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (*continued*)

One employee (2018: no employees) earned more than £70,000 and less than £80,000.

The key management personnel comprises five people (2018: five). The aggregate employee benefits payable to the directors for the year was £267,341 (2018: £220,610). No remuneration was paid to trustees.

11 Tangible Fixed Assets

Group

	Freehold Property £	Motor Vehicles £	Furniture, Fittings & Equipment £	Database £	Total £
Cost					
At 1 November 2018	7,889,267	101,453	321,023	52,470	8,364,213
Additions	576,252	72,071	23,302	-	671,625
Brought in on transfer	-	-	-	-	-
Disposals	-	(6,230)	(29,962)	-	(36,192)
At 31 October 2019	8,465,519	167,294	314,363	52,470	8,999,646
Depreciation					
At 1 November 2018	1,059,894	55,710	230,292	52,470	1,398,366
Charge for the period	170,156	27,084	35,545	-	232,785
On disposals	-	(2,680)	(25,638)	-	(28,318)
At 31 October 2019	1,230,050	80,114	240,199	52,470	1,602,833
Net Book Value					
At 31 October 2019	7,235,469	87,180	74,164	-	7,396,813
At 31 October 2018	6,829,373	45,743	90,731	-	6,965,847

The net book value of assets held under finance leases and hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Furniture, fittings and equipment	-	434

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2019

11 Tangible Fixed Assets (continued)

Company

	Freehold Property £	Motor Vehicles £	Furniture, Fittings & Equipment £	Database £	Total £
Cost					
At 1 November 2018	7,590,267	91,225	312,209	52,470	8,046,171
Additions	872,752	81,417	31,596	-	985,765
Disposals	-	(6,230)	(29,962)	-	(36,192)
At 31 October 2019	8,463,019	166,412	313,843	52,470	8,995,744
Depreciation					
At 1 November 2018	1,056,459	54,830	230,705	52,470	1,394,464
Charge for the period	170,156	27,084	35,545	-	232,785
On disposals	-	(2,680)	(25,638)	-	(28,318)
At 31 October 2019	1,226,615	79,234	240,612	52,470	1,598,931
Net Book Value					
At 31 October 2019	7,236,404	87,178	73,230	-	7,396,813
At 31 October 2018	6,533,808	36,395	81,503	-	6,651,707

The net book value of assets held under finance leases and hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Furniture, fittings and equipment	-	434

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2019

12 Fixed Asset Investments

Group	Shares in Listed Securities £	Unlisted Securities £	Other investments £	Total £
Market value				
At 1 November 2018	2,686,791	99,119	101	2,786,011
Additions at cost	-	43,747	-	43,747
Additions to shares	168,224	(168,224)	-	-
Sale of shares	(194,946)	194,946	-	-
Revaluations	165,106	-	-	165,106
Charges	-	(19,867)	-	(19,867)
At 31 October 2019	2,825,175	149,721	101	2,974,997

Unlisted securities comprise cash held as part of the investment portfolio.

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Holding	Registered office
The Mare and Foal Sanctuary Trading Limited	100%	Honeysuckle Farm Buckland Road, Newton Abbot TQ12 4SA
South West Equine Protection Limited	100%	Honeysuckle Farm Buckland Road, Newton Abbot TQ12 4SA

The following is a dormant subsidiary of South West Equine Protection:

The Pony Sanctuary Limited	100%	Honeysuckle Farm Buckland Road, Newton Abbot TQ12 4SA
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The aggregate of the ordinary share capital and reserves as at 31 October 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital & reserves £	Profit/(Loss) £
The Mare and Foal Sanctuary Trading Limited	100	-
South West Equine Protection Limited	1	(421,460)
	<u>101</u>	<u>(421,460)</u>

The Mare and Foal Sanctuary Trading Limited and South West Equine Protection Limited are dormant companies.

All fixed asset investments are managed within the UK.

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2019

12 Fixed Asset Investments (continued)

Company	Listed Securities £	Unlisted Securities £	Other investments £	Total £
Market value				
At 1 November 2018	2,686,791	99,119	101	2,786,011
Additions at cost	-	43,747	-	43,747
Additions to shares	168,224	(168,224)	-	-
Sale of shares	(194,946)	194,946	-	-
Revaluations	165,106	-	-	165,106
Charges	-	(19,867)	-	(19,867)
At 31 October 2019	<u>2,825,175</u>	<u>149,721</u>	<u>101</u>	<u>2,974,997</u>

13 Stock

Group and Company	2019 £	2018 £
Animal supplies and goods for resale	<u>30,031</u>	<u>29,627</u>

The costs of stocks recognised as an expense in the year amounted to £6,072 (2018: £24,138).

14 Debtors: Due within one year

Group	2019 £	2018 £
Other taxation and social security	23,003	14,038
Trade debtors	624	1,424
Other debtors	11,224	113
Prepayments and accrued income	143,183	118,581
Legacies receivable	<u>1,510,059</u>	<u>1,671,959</u>
	<u>1,688,093</u>	<u>1,806,115</u>
Company	2019 £	2018 £
Other taxation and social security	23,003	17,475
Trade debtors	624	1,424
Other debtors	11,224	117
Amounts due from group undertakings	-	20,809
Prepayments and accrued income	143,183	85,834
Legacies receivable	<u>1,510,059</u>	<u>1,585,672</u>
	<u>1,688,093</u>	<u>1,711,331</u>

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2019

15 Cash at Bank and in Hand

Group

	2019 £	2018 £
Cash at bank and in hand	<u>1,087,184</u>	<u>1,019,095</u>

Company

	2019 £	2018 £
Cash at bank and in hand	<u>1,087,184</u>	<u>1,000,226</u>

16 Creditors: Due within one year

Group

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	-	362
Trade creditors	176,810	103,591
Other taxes and social security	-	4,251
Accruals and deferred income	25,068	44,323
	<u>201,878</u>	<u>152,527</u>

Company

	2019 £	2018 £
Net obligations under finance leases and hire purchase contracts	-	362
Trade creditors	176,810	103,006
Other taxes and social security	-	3,503
Accruals and deferred income	25,068	39,323
	<u>201,878</u>	<u>146,194</u>

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2019

17 Funds

Group	Brought Forward £	Income £	Expenditure £	Transfers in / (out) £	Gains/ (losses) £	Carried forward £
Designated funds						
Property and fixed asset designated fund	6,965,847	-	-	430,966	-	7,396,813
Charity development designated fund	1,300,000	-	-	(220,000)	-	1,080,000
Fixed asset investment designated fund	2,785,911	-	-	(2,785,911)	-	-
	<u>11,051,758</u>	<u>-</u>	<u>-</u>	<u>(2,574,945)</u>	<u>-</u>	<u>8,476,813</u>
General funds						
General free reserves	1,402,107	4,938,445	(4,582,176)	2,574,945	165,106	4,498,427
Total unrestricted funds	<u>12,453,865</u>	<u>4,938,445</u>	<u>(4,852,176)</u>	<u>-</u>	<u>165,106</u>	<u>12,975,240</u>
Total funds	<u><u>12,453,865</u></u>	<u><u>4,938,445</u></u>	<u><u>(4,582,176)</u></u>	<u><u>-</u></u>	<u><u>165,106</u></u>	<u><u>12,975,240</u></u>

Property and fixed asset designated fund	-	The Trustees have separately identified funds tied up in property and other tangible fixed assets, as these funds, by their nature, are not freely available for the day to day use of the charity. The transfer into this fund represents the movement in fixed assets during the year.				
Charity development designated fund	-	£1,300,000 was transferred into this fund in 2017/18 representing the capital spend for 2018/19. The amount carried forward represents the capital spend plus £863,000 approved for repair and rectification work at Coombe Park.				
Fixed asset investment designated fund	-	The Trustees have agreed to undesignated this fund and is therefore shown in transfers.				
Remaining funds (i.e. those not designated or invested in fixed assets).	-	Represent the free reserves of the charity.				

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2019

17 Funds (continued)

Company	Brought Forward £	Income £	Expenditure £	Transfers in / (out) £	Gains/ (losses) £	Carried forward £
Designated funds						
Property and fixed asset designated fund	6,651,707	-	-	745,106	-	7,396,813
Charity development designated fund	1,300,000	-	-	(220,000)	-	1,080,000
Fixed asset investment designated fund	2,785,910	-	-	(2,785,910)	-	-
	<u>10,737,617</u>	<u>-</u>	<u>-</u>	<u>(2,260,804)</u>	<u>-</u>	<u>8,476,813</u>
General funds						
General free reserves	1,294,787	5,359,906	(4,582,176)	2,260,804	165,106	4,498,427
Total unrestricted funds	<u>12,032,404</u>	<u>5,359,906</u>	<u>(4,582,176)</u>	<u>-</u>	<u>165,106</u>	<u>12,975,240</u>
Total funds	<u><u>12,032,404</u></u>	<u><u>5,359,906</u></u>	<u><u>(4,582,176)</u></u>	<u><u>-</u></u>	<u><u>165,106</u></u>	<u><u>12,975,240</u></u>

18 Operating Lease Commitments

Group and Company	2019 £	2018 £
At 31 October 2019, the Charity had total future minimum lease payments as follows:		
In less than 1 year	85,575	42,942
Within 2-5 years	155,644	90,698
Over 5 years	26,000	38,000
	<u>267,219</u>	<u>171,640</u>

During the year lease payments totalling £55,875 (2018: £113,975) were recognised as an expense.

19 Related Party Transactions

Group

During the year the charity paid travel expenses totalling £1,877 (2018: £2,639) to four trustees.

20 Pension

Group

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in and independently administered fund. The contributions paid from unrestricted funds by the charity to the fund during the year totalled £30,304 (2018: £14,678).

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2019

21 Business combination

On 26 June 2018 The Mare and Foal Sanctuary became the sole member of South West Equine Protection Limited.

This transaction was accounted for in the prior period as a combination that is in substance a gift. The assets and liabilities were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as a donation.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

	£
Tangible fixed assets	
Freehold property	299,000
Other tangible fixed assets	18,550
Investments	1
Current assets	
Debtors	30,470
Cash at bank and in hand	9,474
Current liabilities	28,575
Net assets	328,920

On 1 November 2018 the operation, assets and liabilities of South West Equine Protection Limited have been hived up to the Mare and Foal Sanctuary. The assets and liabilities were transferred at their book value. The net value of the transfer was £421,460.