

A company limited by guarantee
Registered in England No. 03524502
Registered charity No. 1068911
SC No. 045070



Annual Report and Group Accounts

of

Redwings Horse Sanctuary

for the year ended

December 31st, 2013



give with confidence

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FOR THE YEAR ENDED 31 DECEMBER 2013

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REDWINGS HORSE SANCTUARY LEGAL & ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2013

Full name of charity	Redwings Horse Sanctuary Norwich Road, Hapton, Norfolk, NR15 1SP
Constitution	Charitable company limited by guarantee.
Governing document	Memorandum and Articles of Association as last amended on 8 May 2005
Objects of the Charity	The charity is established for the benefit of the public to relieve the suffering of horses, ponies, donkeys and mules which have suffered from maltreatment, neglect or poor circumstances. To advance the education of the public in matters pertaining to the welfare of horses, ponies, donkeys and mules in general and the prevention of cruelty and suffering among such animals.
Company registration number	3524502
Charity registration number	1068911
Trustees	Stephen Clark, Chairman Andrew Fryer Peter Horrocks Mark Little FRICS FAAV Ann Polley, Deputy Chairman Graham Wellesley (resigned November 2013) The Trustees constitute directors of the charity and Trustees of the charitable company for the purposes of the Charities Act 2011. In accordance with the company's articles of association all Trustees retire from office at each AGM where they may seek re-election and new Trustees can be elected.
Chief Executive & Secretary	Lynn Cutress
Bankers	NatWest Bank plc, 45 London Street, Norwich, NR2 1HX
Auditors	Larking Gowen Chartered Accountants, King Street House, 15 Upper King Street, Norwich, NR3 1RB
Investment managers	Citi Quilter, St Helen's, 1 Undershaft, London, EC3A 8BB

REDWINGS HORSE SANCTUARY REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2013

This report and the accounts for the period ended 31st December 2013 have been produced in compliance with SORP 2005.

1. Introduction to Redwings Horse Sanctuary

Redwings Horse Sanctuary was established in 1984 and today has grown to be the largest horse sanctuary in the UK. We are a national charity working across the UK to save horses, ponies, donkeys and mules whose future would otherwise be bleak.

Our mission statement is 'To provide and promote the welfare, care and protection of horses, ponies, donkeys and mules'.

We operate from nine sites with over 1,200 acres of grazing land located in Norfolk, Essex and Warwickshire. We are planning for significant growth and for our geographical spread to widen.

The main themes of our work are – rescue and rehabilitation, specialist sanctuary care and prevention of abuse and neglect through education. Since 2005 we have run a guardianship (rehoming) scheme for those horses with a potential for life outside the Sanctuary environment.

2. What we do – our activities, approach and principles of our work

Our work is based on the principle that once we admit a horse or donkey to our care, we retain ownership for the rest of their days. We believe in working for the good of the horse.

2.1 Rescue and Admissions

Where possible we try to help horses remain in the care of their owners through providing advice. During 2013 Redwings Welfare & Horse Care Helpline gave advice over 1,615 times. The team also responded to over 340 email and written enquiries and investigated 300 concerns.

Our welfare team is led by an experienced senior veterinary surgeon and is supported by two dedicated veterinary surgeons who attend rescues and cases in order to ensure proper assessment at the earliest opportunity. We have two senior field officers and a team of over 70 volunteer welfare officers who act as our eyes and ears across the UK.

Our rescue and roundup work has become increasingly busy over the past three years, with the economic recession impacting on horse care. During 2013 we undertook rescues across the UK including Cumbria, Norfolk, Essex, Surrey and Hampshire as well as an increasingly extensive caseload from Wales.

Before we bring in a horse or donkey, each animal undergoes assessment at either our main Quarantine & Reception Centre or set aside quarantine facilities at our satellite centres.

In 2013 we took in 210 horses and donkeys into our centres. Acknowledging the continued challenge of being full we funded additional places at boarding establishments outside our centres for a substantial case, where we offered homes to close to 150 horses (which includes foals later born to pregnant mares), that at the end of 2013 was still under legal proceedings. The ownership of these horses is likely to come into Redwings in 2014.

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2.2 Rehabilitation & Equine Behaviour

Redwings has a specialist team who focus on leading on our rehabilitation and equine behaviour work. They spend time with our centres, cascading our approach to horse behaviour to ensure consistency of handling. We have taken in behaviour case referrals from other charities and our work during round-ups is built around our extensive efforts in understanding feral herds. The result of our efforts is that former feral rescued herds are transformed into happier ones without need for sedation for the farrier or routine veterinary interventions. In many cases they become rehomed horses with an opportunity to live outside in a loan home. Our specialist behaviour team are keen to share their knowledge and have (i) advised other equine welfare charities, (ii) had some peer welfare workers spend time observing our work, and (iii) have run our own internal training programme. A new initiative for us in 2013 was introducing an equine behaviour training session for our new starter staff aimed at instilling our approach from day one, as well as ensuring our people are safe in their work.

2.3 Specialist Sanctuary Care

Redwings provides permanent sanctuary care to over 1,300 horses, ponies, donkeys and mules who have often suffered neglect prior to coming to Redwings or whose owners have found themselves in challenging times and can no longer afford to meet the costs associated with horse ownership. Our permanent residents cannot be rehomed, often because they require lifelong specialist care (often with significant veterinary costs beyond the reach of the typical owner), but can still enjoy a good quality of life at Redwings. The number of 'places' available depends on the needs of both our existing residents and the needs of the potential candidate(s) for admission. As a home to veterans (aged 15 and over), geriatrics (aged 20 and over), special care cases, and horses in need of specialist handling, life is a constant challenge as it is often not until we admit a horse that we are able to establish their true needs. The Sanctuary has a large older population with 20% aged between 15 and 20 and 24% aged 21 and over. Our horses and donkeys live in herds and are encouraged to form natural bonds and friendships.

Redwings always strives to maintain the highest possible care standards and has an internal management group dedicated to continually monitoring our internal care standards. We encourage suggestions from staff on how we can best deliver our day-to-day care.

2.4 Rehoming of ridden or companion horses

Those horses that have been retired or require life-long specialist care (veterinary or behavioural) will always remain in the direct care of Redwings. Depending on their needs, some may be rehomed as companion horses. However, healthy younger horses that have the potential to enjoy a working life can learn to be ridden at our purpose-built Rehoming Centre in Norfolk or at our Ada Cole Centre in Essex, and then found a suitable foster home. The Guardianship Scheme allows us to rehome the healthier horses, creating space for those horses requiring our help. At 31st December 2013 we had 485 horses in guardian homes.

In 2013 we commenced our rehoming review and as a result held back on some of the rehoming investment. In 2013 therefore 82 horses were rehomed (91 in 2012, 109 in 2011) and the review scheduled for completion in 2014 in time for planning for expansion from our Oxhill Centre.

During 2013 42% of our new arrivals were aged under three years and 24% aged between four and eight, which means that those that cannot be rehomed for health reasons will need a home in sanctuary care for life, placing an increasing strain on the size of our equine population.

If during their time at one of our Rehoming Centres a horse shows that s/he is not suited to a working life, they will not be pushed, but will return to the permanent care of the Sanctuary.

REDWINGS HORSE SANCTUARY REPORT OF THE TRUSTEES

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Redwings always retains ownership of every horse for the rest of its life so that should a guardian no longer be able to provide for their horse, or if our regular home checks show that a high standard of care is not being maintained, Redwings will quickly step in and return the horse to the Sanctuary. Our welfare officers performed 613 checks on rehomed horses in 2013, including checks on those horses rehomed by the Society for the Welfare and Protection of Horses & Ponies (SWHP). We are always prepared to accept back Redwings' horses out on loan if they need to be returned to the Charity. In 2013 with the increasing demands of being full we had to make additional provision for such returns as our quarantine facilities remained at capacity.

2.5 Education

Prevention through education

Rather than having to rescue horses and donkeys from abuse, abandonment or neglect, Redwings would prefer that people had the knowledge and commitment to prevent their animals from suffering in the first place or from taking on an unsuitable horse for their situation.

Our teams work with a huge range of people to help disseminate information and promote equine welfare.

- In 2013 we worked with 95 educational groups, including schools; either by welcoming them to our visitor centres, or by giving talks at schools.
- The education section of our website (www.redwings.org.uk) provides free educational resources to teachers and children to encourage an understanding of the importance of equine welfare.
- In addition the welfare section provides a range of publications for owners on issues such as Equine Cushings disease, Strangles, hoof care and farriery, and donkey care. We ran an educational campaign about the importance of quarantine control and produced a pack on Strangles which proved so popular it went into early reprint.
- We also gave 14 talks to equine colleges and private veterinary practices in 2013, and hosted two farrier training days and two dentistry days.

During 2013 we continued to attend horse and country fair events, including the Horse of the Year Show, the International Horse Show and other smaller shows to talk to visitors about the importance of equine welfare.

3. Governance Structure, Management & Internal Controls

3.1 Governance Structure

Redwings Horse Sanctuary operates as a company limited by guarantee, under the terms of its Memorandum and Articles of Association. The overall direction and management of the Sanctuary rests with a Strategic Management Board of between five and seven Trustees. The Management Board sets an annual programme of quarterly meetings to approve new initiatives and review and monitor the progress of the Sanctuary in meeting its strategic objectives and its governance controls. The Management Board is supported by a Finance Sub Committee which has specific responsibility for scrutinising and approving an annual capital and revenue budget and reviewing the Annual Accounts and Audit. In addition, the Trustees make provision and time should it be necessary to hold Extraordinary Meetings for significant projects and timely developments if they fall outside the quarterly cycle. In 2013 we held three Extraordinary Board Meetings.

In preparation for the mergers, referred to in paragraph 5.1, we reviewed our Memorandum & Articles of Association to ensure they were relevant and workable for a growing charity with bases in Scotland and Wales.

REDWINGS HORSE SANCTUARY

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2013

3.2 Management

Day-to-day operational control of the Sanctuary has been delegated by the Management Board to a Chief Executive who in turn is supported by a team of professionals in finance, human resources, health & safety, communications, fundraising, veterinary, horse care and welfare.

3.3 Governance Policies

The Board of Trustees has adopted policies addressing the role of the Trustees, the Chairman and the Chief Executive and adopted Codes of Conduct for the Board and the Chief Executive. All aspects of Governance are kept under constant review in line with best practice and include the Chief Executive being a full member of the Association of Chief Executives of Voluntary Organisations (ACEVO). The Chief Executive keeps the Board apprised of new charitable policies and approaches relevant to the work of the Charity with regular items on the Board's agenda at meetings, through bulletins and through subscriptions for Board members of a governance publication.

3.4 Recruitment and appointment of Trustees

The Trustees have been chosen from their experience, skills and interests thought necessary and relevant to ensure effective management of the Charity. Training and induction programmes are tailored to individual Trustees according to their needs. The Board of Trustees is subject to skills audits to ensure the knowledge is there to lead the Charity.

3.5 Public Benefit

As a charity we recognise the importance of working for the public benefit. Our nationwide work benefits the public through the following ongoing activities:

- Offering advice through our dedicated Horse Care & Welfare Helpline to new horse/donkey owners/carers; experienced owners facing a new challenge; and giving initial advice on the level of care, financial cost and commitment needed before considering taking on a horse. Our Helpline also advises people who report a welfare concern to Redwings before then acting on the information to investigate the reported case. Our Field Officers are able to offer advice directly to owners struggling to care for their horse(s), and our External Horse Handling Team works closely with owners to help them deal with their horse's behavioural and handling issues. We regularly attend horse shows, equestrian events and country shows to offer advice on a range of issues including rehoming and care topics such as laminitis and Strangles. Finally, our in-house veterinary surgeons provide advice to private veterinary practices, and also attend private practice client evenings where they can offer advice on equine health issues.
- Partnership working with local authorities and agencies to help resolve the socio-economic, health & safety and other challenges of stray horses, be it from one escapee on a major road, through to over-populated herds being illegally grazed. We have provided training and assistance to the Police and Fire Service on horse handling, particularly in emergency situations, as well as handling training for RSPCA Welfare Officers, and hosted training days for fellow professionals - farriers, veterinary nurses and equine dentists.
- Participating in the Equine Sector Council in partnership with local government and the equine industry, and being on the Board of the National Equine Welfare Council (NEWC).
- Providing an informed education programme, through attendance at schools, colleges and clubs and giving general welfare advice or more specific talks. Our visitor centres regularly receive and look after school groups and colleges allowing younger people to see first-hand the care Redwings provides to some of its 1,300 residents. Redwings also provides free educational material through a variety of media including our two websites (redwings.org.uk and youngredwings.co.uk), printed leaflets and displays at our visitor centres and events.
- Running an apprenticeship scheme to develop our own employees in Equine Care and Maintenance.
- Providing employment to over 250 people and running a popular and extensive work experience programme. Employees can benefit from a range of bespoke in-house equine care training programmes or professional external training to develop staff in their relevant professional fields. Our in-house veterinary surgeons are members of the British Equine Veterinary Association (BEVA) and comply with continuing professional development to enable them to carry out their veterinary medicine.

REDWINGS HORSE SANCTUARY REPORT OF THE TRUSTEES

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- Working with the traveller community to offer passporting and microchipping initiatives, whilst using the opportunity to engage with this community and raise equine welfare standards.
- Providing four free-to-visit visitor centres and opening our horse hospital and Hapton centre for special open days, also free, giving access to all. Our centres all have cafés and shops allowing us to support tourism and the local economies.
- Running a rehoming scheme to allow some of our suitable rescued horses to have a life outside Redwings with guardians who are able to meet our horses' special requirements.
- Running a volunteer programme for welfare field officers who support our Welfare and Rehoming Teams.
- Managing our land holdings, both as a responsible landowner respecting the environment and as a large landowner welcoming the public on the footpaths through our sites.

4. The people behind Redwings

Supporters

We are indebted to many thousands of generous supporters without whom we would not be able to deliver our horse and donkey welfare work across the UK. From letters, telephone calls and emails of support through to donations, adopting a Redwings resident, purchasing products from our catalogues or visiting us and buying tea and cake, we appreciate all forms of support.

Volunteers

Our national field work is supported by a team of volunteers, many of whom have volunteered for us for over a decade.

We are fortunate to receive donations of time including a team of individuals and staff from Norwich & Peterborough Building Society helping to prepare our Aylsham Centre for our formal opening.

Staff

The majority of our paid staff work in the care of our horses and donkeys: either in providing direct care or by working in one of our support teams (day and night horse care teams, veterinary, maintenance, horse transport, rehabilitation, rehoming, and dedicated quarantine).

We employ a number of seasonal staff at our visitor centres and we are delighted when many return each year.

At Hapton in Norfolk, we run a small back office including essential functions such as finance, supporter services, IT, human resources and health & safety. We have small teams dedicated to leading on fundraising and communications.

2013 was our last full year of our stakeholder pension scheme before Auto-enrolment in February 2014. We consulted with our staff about the transfer and all agreed that we should close the existing scheme for ease of administration and change provider.

REDWINGS HORSE SANCTUARY REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2013

5. Strategic Report

5.1 Our approach – our strategy – our objectives

Since late 2012 we have been in discussion with two other equine welfare charities in order to assess if their strategies for future welfare work matched ours, with a view to Redwings merging with both charities in order to create a more national spread across the UK. The Society for the Welfare and Protection of Horses & Ponies (SWHP) (registered charity number 266247) and Mountains Animal Sanctuary (registered charity SCO37536) both concluded they wished to join the Redwings family.

As the UK's largest horse sanctuary and a leader in special care, horse behaviour and geriatric horse care, in 2013 we continued with some of the major initiatives started from the last Strategic Plan, in particular:

- Reviewing and further developing special care
- Developing our rehabilitation and youngster handling behaviour programme
- Raising awareness of people working for the good of the horse
- A facilities programme for our horses, our people and our resources.

In addition, we continued our 2012-2014 Strategic Priority Areas which are:

- To increase our national impact in order to help more horses
- To increase awareness of issues that affect horses
- To continue to respect resources in challenging times
- To increase our environmental impact 'Red goes Green' through how we use our facilities and our everyday practices.

In addition we acknowledge the importance of the benefit of animals on people and plan for our 30th anniversary Year in 2014, which recognises that our supporters, volunteers and our staff, although supporting horses and donkeys, are animal lovers.

5.2 Our achievements in 2013

In the last quarter of 2013 we led on three large scale round-ups, one of which involved 33 members of our staff and that case remains ongoing.

Despite the dominance of large scale round-ups, our Senior Field Officers managed to find time for individual cases needing the help of Redwings; such as Matty, an emaciated eight-week old foal found in Norfolk; Derek, another abandoned foal found in a remote part of Powys, Wales; and finally Shaking Stephens, who was just one day old when he was found abandoned along a stretch of river in Essex. We also welcomed Moby, a rescue from Appleby horse fair, who had a large hole in the front of face, requiring reconstructive surgery; Holly & Ivy, two underweight horses who came to Redwings as part of a prosecution case; two donkey friends Derek & Clive, whose elderly owner could no longer care for them; and Faith, who on arrival was so weak she could not stand, requiring use of our sling system to keep her on her feet and aid her recovery.

We continued to work with Norfolk Constabulary in the use of our stray horse policy. For example, in 2013 we gave Victor a temporary home after he was found straying by the police just outside Norwich. When no owner came forward to claim him, Redwings gave Victor a permanent home.

Throughout the whole of 2013 we continued to dedicate significant time and resources to major round-ups and working with local authorities and other charities to ensure that the equine crisis was averted for as long as possible.

REDWINGS HORSE SANCTUARY REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2013

Our work out in the field was dove-tailed with our continuing work at the heart of a communications group across the six major equine charities including the joint report on fly grazing of horses 'Left on the Verge'. It was encouraging when 30 MPs across parties met at Westminster to attend the debate on fly grazing looking for changes to the law to restrict this practice of keeping horses. Our leading work on fly grazing and large-scale horse round-ups was acknowledged with ten mentions from the MPs in attendance and the opening of the debate.

Our small team continued to be active on social media, with lots to tell their audiences about our case welfare work, our residents in sanctuary and those horses in rehoming – our 30,000th Facebook fan joined us in 2013.

Our centre at Aylsham, north of Norwich ran for its first full year. We were pleased to officially open the Centre in April and held our first Guardians Day for those fostering our horses in their own homes.

Redwings worked jointly with two other charities to organise a passport day in Essex, for the local traveller community. In total, 26 horses and ponies were microchipped, passported and wormed. Following the success of the first day, a second day was arranged several months later, where 30 horses were seen.

With around 1,300 horses and donkeys in our everyday care, the way that we manage our herds can make a significant impact. In 2013 we ran a full year of a targeted worming programme, following extensive trials in 2012, and helped to reduce our spend on wormers knowing which horses were worm-free.

2013 was a busy year with the mergers discussions. Both Mountains Animal Sanctuary and SWHP have a small team of paid staff and voluntary workers and with all mergers it is essential that both parties know what the merged organisation would look like and on what terms.

Redwings back office staff were consulted and were supportive of the proposed mergers and appreciated there would need to be some job changes to take on the back office functions on a larger and more remote scale. We therefore completed an organisational restructure and were pleased to report no redundancies or losses were needed, the net result of which is a support team for a wider charity. We ran two Visions & Values sessions for our managers and officers, where we spent time discussing the impact of the proposed mergers and preparing our teams for the years ahead.

We continued investing in IT systems which would be compatible with the geographical spread of the organisation, including our core recording and authorisation systems for horse care, veterinary records and finance. These systems all work on remote sites, and being electronic, save on printing costs and protect the environment.

5.3 Financial review and strategy in 2013

Financial position at year end

In 2013 Redwings Horse Sanctuary had a net surplus of £1,882k after overall consolidated expenditure of £8,649k. The Charity always seeks to reduce expenditure where possible but some of our horse care costs (particularly consumables such as forage and feed) have been above inflation. Our expenditure was therefore over £500k higher than last year, a trend which is likely to continue as our number of horses increases. Wages are a large part of our costs and in 2013 as our Aylsham Centre was staffed, expenditure on salaries increased.

Income is less able to be predicted. In 2013 income from donations increased to £3,695k (2012: £2,278k), although there were some notable exceptions this year which we believe will not be repeated next year. Legacy income decreased to £5,296k (2012: £6,438k). Overall consolidated income was £10,415k (£133k higher than 2012).

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Reserves

The balance sheet shows the Charity's reserves at 31st December 2013, but to quantify the funds which are freely available for general purposes, it is necessary to consider how the reserves are applied.

When considering our reserves it is essential to put those in the context of our work as follows:

- As a major provider of sanctuary for horses and donkeys, Redwings must ensure that we can look after those in our care until the end of their days.
- If we ceased to take in horses we would still be wholly responsible for those horses already in our care.
- We are responsible for not only Redwings horses and donkeys that can live out in herds but those that need veterinary treatment or intensive veterinary care.
- The cost of keeping horses includes ensuring that a maintenance programme for facilities and land is in place and resourced.
- Horse care and maintenance costs would need to be met from 'free reserves' (i.e. not those tied up in assets such as land and buildings as those would need to remain for the life of the horses and ponies).
- Provide a sum of contingency to enable us to take on large herds from rescues and roundups.

The Trustees believe that in view of this level of expenditure it is prudent to hold an appropriate reserve for **sanctuary** on a large scale of around 1,300 horses and donkeys.

Our reserve levels were reviewed again in 2013 in the light of a number of key factors including the increase in high dependency and case animals and recessionary trends in income and expenditure demands. For example one of our principle costs is feed and forage and these costs have increased above inflation over successive years. The review concluded that to allow the Charity to be managed efficiently, we have to work towards establishing a 'buffer' in the form of a general reserve equivalent to 18 months of unrestricted fund expenditure.

In 2014 we have an agreed expenditure programme budgeted in excess of £3 million to improve facilities and capital projects, with the continued focus being on providing the best care for our horses and donkeys. Our rehoming expansion requires a major investment in facilities to ensure we can prepare horses for rehoming and ensure a good match between Guardian and horse. Our investment in a barn next to our largest centre for example will be developed to increase our special care facilities. There is also a need for significant investment in IT infrastructure in order for us to make the most of our people resource nationwide at our remote centres and negotiations over this project has run over two financial years with different potential providers.

Investment - policy and performance

The Trustees have the power to administer and manage the assets of the Charity in accordance with its Memorandum & Articles of Association. In accordance with these powers, the Trustees have appointed professional fund managers to manage our investment portfolio. The fund managers are issued with Investment Guidelines which are determined by the Trustees brokers with due care for the social, ethical and environmental considerations of the Charity. The fund managers have been instructed to manage the funds on a low risk basis.

The Charity continues to hold funds in high interest bank accounts ensuring monies are readily available to fund new land purchases and the development of our sites. With additional site development and the expansion of our work expected in the short term this policy is expected to be maintained.

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Financial strategy in 2013

The Board takes its responsibility as custodians of Redwings supporter donations very earnestly. There is an accountant on the Board of Trustees and all Trustees have financial experience as managers and officers in their paid employment. The Board makes use of our Auditors and our in-house finance team, led by a qualified accountant. We have policies for Financial Procedures, Reserves, Investments and separate meetings of a Finance Sub Committee. Of particular note in 2013 are the following:

- SWHP does not own the land it operates from and we needed to determine how we would best make use of our reserves in order to secure a permanent base for Redwings-SWHP's work in Wales in the future. Due to the sensitive nature of potential merger discussions and land acquisition we did not specify a defined sum for a farm in Wales in our accounts, but as a Board we were aware this would be needed.
- As a Sanctuary we have a need for significant landholdings. Over the years we have learnt it is best to own rather than rent in order for our land management work to be ideal for our horse grazing and forage needs. Early in 2013 we were made aware of a small but strategically important pocket of land adjacent to one of our Norfolk farms and we negotiated a purchase for early 2014 and committed 2013 funds to this project.
- An option agreement on another strategically important facility immediately next door to our centre at Aylsham was exercised and we were pleased to conclude this transaction at the end of 2013.
- Early in 2013 we reviewed our agricultural tenancies which bring in an annual income and concluded at this stage we still have other land holdings to take into our pasture and forage holdings and therefore renewed these tenancies. We are always conscious of how any increase in pasture land and direct horse care has a long term financial impact on our annual costs.

5.4 Looking ahead – the remainder of our 2012-2014 Strategic Plan

Merger discussions remained ongoing at the time of signing this Annual Report and a significant amount of time has been spent with the Trustees, staff and volunteers of Mountains and SWHP. Subject to the mergers going through we expect our number of centres to increase from nine to eleven with the furthest distance between centres being 470 miles. Before the end of 2014 we expect to commence a programme of associated capital works and investment in facilities as well as staff inductions, training and development to bring the centres and their people into the Redwings family.

At Redwings the number of horses in our direct care has increased from 1,232 to 1,318 (7%) and the number of horses out on loan in guardian (foster) homes for which Redwings retains ownership has decreased from 490 in 2012 to 485 in 2013. With this increased internal horse population our annual horse care budgets have had to grow and our need for fundraising became even more important. Should the mergers go through, the number of horses in our direct care would increase to approximately 1,500 and our annual expenditure too.

With the pressures of running the Sanctuary at capacity, and working with the necessary constraints of our land during some varying seasonal weather conditions, it has been difficult to develop our facilities whilst they are in constant use. Reviewing our Norfolk land holdings will therefore be a priority before the end of 2014 in order to ensure we can increase our horses in sanctuary and reduce those in external boarding.

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We aim to conclude negotiations on IT connections in 2014. We are keen to continue consistency of resource management across all our centres regardless of geographical distance. Electronic systems are essential to this approach. We are transferring to a new supporter database, Raiser's Edge, enabling more transactions to be completed at our remote visitor centres, and making more of the people resources away from our main administration centre. With better Broadband speed, our work on the Redwings website in 2014 would enable us to make even more of social media, building on the good work of our small communications team to date. This will prepare us for the web activity which will come from our campaigning.

Our Granary building will be redeveloped in 2014, and will house better facilities for meetings and visitors, as well as providing much needed additional warehouse space for our Mail Order operation, which has outgrown its home of more than 12 years. Our Mail Order operation provides a valuable income to our work, increasing awareness of our brand, and stock controls for our visitor centres.

5.5 Principle risks and uncertainties

The Board of Trustees has introduced a formal risk management process to assess the risks faced by the Sanctuary and implement strategies to manage those risks. A Risk Management Register is maintained by the Charity which identifies the types of risks the organisation faces (prioritising them in terms of likelihood of occurrence and potential impact), sets out the control procedures in place and the established framework of reporting and monitoring adopted to manage those risks. The Register is reviewed annually dealing with particular risks, responsibility, controls and monitoring processes and the need for new risks to be added.

Even with controls and monitoring in place, the biggest 'primary' retained risks of running horse care and rehabilitation include:

Health & safety - controls include staff induction and training, documented operating procedures, risk analysis and provision of personal protective equipment, which is monitored regularly and post incidents. In addition we run periodic external health & safety audits. In 2013 The Red Cat Partnership audited us and was accompanied by our dedicated Health & Safety Manager. Our level of commitment to health & safety was acknowledged in the audit.

As our work grows, we have added an Assistant Health & Safety Officer, someone who has worked on one of our farms and with horse care operational knowledge.

Rehoming of unsuitable riding horses – controls include assessment of horse and suitable rider to ensure best match, contract between the Guardian and Redwings, home checks before a horse leaves Redwings and follow up checks. We regularly review our processes including which horses we consider suitable for rehoming in the first place and when a horse is returned (for any reason) but in addition we commenced a full rehoming review in the light of the potential mergers to ensure we made the most of our experiences in this expanding area of our work.

Decline in income sources – as we are funded purely by the public we cannot completely predict our income each year but as we are responsible for our horses in sanctuary for the rest of their days and for any in guardian homes that could be returned, we have to monitor our income robustly and review income streams. Our reserves are essential since we cannot risk reducing the level of care. We have instigated a quarterly financial review in 2013 which has proven invaluable.

Some risks are very high, but with controls and monitoring have been reduced to become secondary risks – in particular the risk of spreading infectious disease across our herds. We have very strict equine disease controls as any disease spread would have a dramatic effect on our herds and our work. Our veterinary team train other veterinary practices organisations in disease control and in 2013 we spread our knowledge to the wider public with a Strangles Action Campaign.

REDWINGS HORSE SANCTUARY REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2013

Legal and Administrative Details of the Charity, its Trustees and Advisors

Redwings Horse Sanctuary is incorporated as a company under the Companies Act 2006 and is registered with the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator (OSCR).

Full name of charity

Redwings Horse Sanctuary, Norwich Road, Hapton, Norfolk, NR15 1SP

Constitution Charitable company limited by guarantee.

Governing document Memorandum and Articles of Association as last amended on 15th June 2014.

Objects of the Charity

The charity is established for the benefit of the public to relieve the suffering of horses, ponies, donkeys and mules which have suffered from maltreatment, neglect or poor circumstances. To advance the education of the public in matters pertaining to the welfare of horses, ponies, donkeys and mules in general and the prevention of cruelty and suffering among such animals.

Company registration number 3524502

Charity registration numbers 1068911 (England & Wales)
SC045070 (Scotland)

Trustees

Stephen Clark, Chairman
Ann Polley, Deputy Chairman
Andrew Fryer
Peter Horrocks
Mark Little FRICS FAAV
Graham Wellesley (resigned 18 November 2013)

The Trustees constitute directors of the charity and Trustees of the charitable company for the purposes of the Charities Act 2011. In accordance with the company's articles of association all Trustees retire from office at each AGM where they may seek re-election and new Trustees can be elected.

Chief Executive & Secretary Lynn Cutress MBA
Bankers NatWest Bank plc, 45 London Street, Norwich, NR2 1HX
Auditors Larking Gowen Chartered Accountants, 15 Upper King St, Norwich, NR3 1RB
Investment managers Citi Quilter, St Helen's, 1 Undershaft, London, EC3A 8BB
Legal Advisers Birketts LLP, Kingfisher House, 1 Gilders Way, Norwich, NR3 1UB

REDWINGS HORSE SANCTUARY REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 DECEMBER 2013

6. Trustees' Responsibilities

The Trustees (who are also directors of Redwings Horse Sanctuary for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for the year. 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 judgements 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 charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

- (a) so far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware.
- (b) they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Trustees on 2nd September 2014

.....
S Clark
Chairman

.....
A Fryer
Director



**CHARTERED
ACCOUNTANTS**

Independent Auditor's Report to the members of Redwings Horse Sanctuary

We have audited the group financial statements of Redwings Horse Sanctuary for the year ended 31 December 2013 which comprise the Group and the Parent Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet, the Group Charitable Company Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2013 and of the group's and the parent charitable company's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees (incorporating the Trustees' Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.



**CHARTERED
ACCOUNTANTS**

Independent Auditor's Report to the members of Redwings Horse Sanctuary

Matters on which we are required to report by exception

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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Julie Grimmer FCA DChA, Senior Statutory Auditor

For and on behalf of

**Larking Gowen Chartered Accountants, Statutory Auditors
Norwich**

REDWINGS HORSE SANCTUARY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Unrestricted Funds £	Endowment & Restricted Funds £	Total Year Ended 31 December 2013 £	Total Year Ended 31 December 2012 £
Incoming resources					
Voluntary Income					
Donations and gifts		3,657,275	37,563	3,694,838	2,277,816
Legacies		5,295,685	-	5,295,685	6,438,181
Activities for generating funds					
Merchandising income	2	549,398	-	549,398	517,798
Lottery income		411,754	-	411,754	565,735
Estate Grants & other income		185,152	-	185,152	152,634
Investment income					
Dividends		36,956	-	36,956	39,084
Interest receivable		217,596	-	217,596	253,303
Property rentals		23,165	-	23,165	37,094
Total incoming resources		10,376,982	37,563	10,414,545	10,281,645
Resources expended					
Cost of generating funds					
Fundraising and publicity		1,450,265	-	1,450,265	1,358,338
Merchandising costs		451,367	-	451,367	462,561
Charitable activities					
Sanctuary operations		6,505,447	35,633	6,541,080	6,147,778
Education		194,344	-	194,344	147,109
Governance		11,650	-	11,650	13,503
Total resources expended	3	8,613,074	35,633	8,648,709	8,129,290
Net incoming resources before other recognised gains and losses		1,763,908	1,930	1,765,836	2,152,355
Realised gains / (loss) on Investments		7,072	-	7,072	28
Net incoming resources		1,770,980	1,930	1,772,908	2,152,383
Unrealised gain / (loss) on investments		109,187	-	109,187	33,623
Net movement of funds		1,880,166	1,930	1,882,095	2,186,006
Fund balances brought forward at start of period		26,623,963	627,992	27,251,955	25,065,949
Fund balances carried forward at end of period		28,504,129	629,922	29,134,050	27,251,955

The group had no recognised gains or losses other than those shown above, all of which derive from continuing activities.

The statement of financial activities incorporates the income and expenditure account.

REDWINGS HORSE SANCTUARY

BALANCE SHEETS AS AT 31 DECEMBER 2013

	Notes	CONSOLIDATED BALANCE SHEET		PARENT COMPANY BALANCE SHEET	
		31 Dec 2013 £	31 Dec 2012 £	31 Dec 2013 £	31 Dec 2012 £
Fixed assets					
Tangible assets	7	13,845,782	13,423,282	13,845,782	13,423,282
Investments	8	999,397	939,767	999,399	939,769
		<u>14,845,179</u>	<u>14,363,049</u>	<u>14,845,181</u>	<u>14,363,051</u>
Current assets					
Investments	9	50,000	5,000	200,000	155,000
Stocks	10	255,848	265,750	132,787	151,548
Debtors	11	3,514,166	3,155,703	3,511,322	3,154,852
Cash at bank and in hand		11,094,281	10,033,293	11,093,353	10,043,368
		<u>14,914,295</u>	<u>13,459,746</u>	<u>14,937,462</u>	<u>13,504,768</u>
Creditors: amounts falling due within one year	12	625,424	570,840	648,594	615,864
Net current assets		<u>14,288,871</u>	<u>12,888,906</u>	<u>14,288,869</u>	<u>12,888,904</u>
Net assets		<u>29,134,050</u>	<u>27,251,955</u>	<u>29,134,050</u>	<u>27,251,955</u>
Funds	13				
Endowment fund		20,372	20,372	20,372	20,372
Restricted funds		609,550	607,620	609,550	607,620
Designated funds		3,328,489	1,673,750	3,328,489	1,673,750
Revaluation reserve		250,742	208,177	250,742	208,177
General reserve		24,924,896	24,742,036	24,924,896	24,742,036
		<u>29,134,050</u>	<u>27,251,955</u>	<u>29,134,050</u>	<u>27,251,955</u>

The financial statements on pages 16 to 28 were approved by the Trustees on 2nd September 2014

.....
S Clark
Chairman

.....
A Fryer
Director

REDWINGS HORSE SANCTUARY

PARENT COMPANY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Unrestricted Funds £	Endowment & Restricted Funds £	Total Year Ended 31 December 2013 £	Total Year Ended 31 December 2012 £
Incoming resources					
Voluntary Income					
Donations and gifts		3,657,275	37,563	3,694,838	2,277,816
Legacies		5,295,685	-	5,295,685	6,438,181
Funds received from Redwings Enterprises Limited		59,771	-	59,771	1,974
Activities for generating funds					
Merchandising income	2	34,500	-	34,500	49,504
Lottery income		411,754	-	411,754	565,735
Estate Grants & other income		185,152	-	185,152	152,634
Investment income					
Dividends		36,956	-	36,956	39,084
Interest receivable		221,356	-	221,356	257,062
Property rentals		23,165	-	23,165	37,094
Total incoming resources		9,925,615	37,563	9,963,178	9,819,084
Resources expended					
Cost of generating funds					
Fundraising and publicity	3	1,450,265	-	1,450,265	1,358,339
Charitable activities					
Sanctuary operations	3	6,505,447	35,633	6,541,080	6,147,778
Education	3	194,344	-	194,344	147,109
Governance costs	3	11,650	-	11,650	13,503
Total resources expended		8,161,707	35,633	8,197,342	7,666,729
Net incoming resources before other recognised gains and losses		1,763,908	1,930	1,765,836	2,152,355
Realised gains / (loss) on Investments		7,072	-	7,072	28
Net incoming resources		1,770,980	1,930	1,772,908	2,152,383
Unrealised gain / (loss) on investments		109,187	-	109,187	33,623
Net movement of funds		1,880,166	1,930	1,882,095	2,186,006
Fund balances brought forward at start of period		26,623,963	627,992	27,251,955	25,065,949
Fund balances carried forward at end of period		28,504,129	629,922	29,134,050	27,251,955

The charity had no recognised gains or losses other than those shown above, all of which derive from continuing activities.

The statement of financial activities incorporates the income and expenditure account.

REDWINGS HORSE SANCTUARY

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Net cash inflow from operating activities		1,662,687	2,070,055
Returns on investments and servicing of finance	a	254,552	292,387
Capital expenditure and financial investment	b	(867,879)	(1,060,255)
Cash inflow before use of liquid resources and financing		1,049,360	1,302,188
Management of liquid resources	c	11,628	6,955
Increase in cash in the period		1,060,988	1,309,143
Reconciliation of net cashflow to movement in net funds			
Increase in cash in the period		1,060,988	1,309,143
Net funds at beginning of period		10,033,293	8,724,150
Net funds at end of period		11,094,281	10,033,293
Reconciliation of operating profit to net cash inflow from operating activities			
Operating surplus before gains on investments		1,765,836	2,152,355
Interest receivable		(217,596)	(253,303)
Dividends received		(36,956)	(39,084)
Depreciation charges		461,477	473,490
Profit on disposal of tangible fixed assets		(16,098)	(20,105)
(Increase) / Decrease in stocks		9,902	(23,166)
Increase in debtors		(358,463)	(30,180)
(Decrease) / Increase in creditors		54,584	(189,952)
Net cash inflow from operating activities		1,662,687	2,070,055

REDWINGS HORSE SANCTUARY

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £		
a) Returns on investments and servicing of finance				
Interest received	217,596	253,303		
Dividends received	36,956	39,084		
	254,552	292,387		
b) Capital expenditure transactions				
Payments to acquire tangible fixed assets	(887,117)	(1,102,891)		
Receipts from sales of tangible fixed assets	19,238	42,637		
	(867,879)	(1,060,255)		
c) Management of liquid resources				
Payments to acquire fixed asset investments	(161,498)	(58,871)		
Receipts from sale of fixed asset investments	218,127	65,826		
Payment Loan to SWHP	(45,000)	-		
	11,628	6,955		
d) Analysis of changes in net funds				
	At 1 Jan 2013 £	Cash flows £	Other non- cash £	At 31 Dec 2013 £
Cash at bank and in hand	10,033,293	1,060,988	-	11,094,281
Total	10,033,293	1,060,988	-	11,094,281

REDWINGS HORSE SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

1 - Accounting policies

a. Basis of preparation

The financial statements are prepared under the historical cost convention as modified for the revaluation of fixed asset investments, and in accordance with applicable United Kingdom accounting standards, the Companies Act 2006, and follow the recommendations in the Revised Statement of Recommended Practice "Accounting and Reporting by Charities" (the SORP) issued in March 2005.

b. Consolidation

The group financial statements consolidate those of the charity and its trading subsidiary Redwings Enterprises Limited.

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 fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally investments. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income.

Investment income and gains are allocated to the appropriate fund.

d. Incoming resources

All incoming resources are accounted for in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Voluntary income comprises donations and legacies. For legacies, entitlement is recognised from the earlier of the date of receipt or when sufficient notification is received by the charity to enable it to quantify its entitlement with reasonable certainty. Income is not recognised for legacies which remain subject to a life interest.

Activities for generating funds comprise merchandising income, interest receivable, lottery income, investment income, property rentals, and estate grants & other income. The merchandising income is generated by Redwings Enterprises Limited and is recognised as unrestricted income on a receivable basis. The lottery income is recognised as at the closing date of the draw, when the charity is entitled to the income. All other income is accounted for on a receivable basis.

e. Resources expended

All expenditure is included in the SOFA on an accruals basis and is recognised when there is a legal or constructive obligation to pay.

Redwings' cost of generating funds, comprising fundraising, publicity and merchandising, and its charitable activities comprising Sanctuary operations and education share a number of facilities. In general, such costs have been allocated using an income-based formula. Where printed matter is concerned, account has been taken of the space given over to each type of activity.

Governance costs represent the cost of the Board expenses and audit fees.

f. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less depreciation. No depreciation is provided on freehold land. Depreciation is provided on all other tangible fixed assets, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Freehold buildings	over 50 years.
Wasting structures	over 3 or 10 years.
Plant and equipment	over 5 years.

REDWINGS HORSE SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

1 - Accounting policies (continued)

g. Investments

Investments are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

h. Stocks

Stocks are valued at the lower of cost and net realisable value.

i. Pension Costs

The cost of providing pension benefits is charged in the year for which they are payable.

2 - Merchandising income

				Total	Total
	Affinity Card	Sale of Donated goods	Redwings Enterprises Ltd sales	Year Ended 31 December 2013	Year Ended 31 December 2012
	£	£	£	£	£
Parent company	7,188	27,312	-	34,500	49,503
Subsidiary company	304	-	514,594	514,898	468,295
Total income	7,492	27,312	514,594	549,398	517,798
Merchandising costs					
Subsidiary company cost of sales	-	-	239,564	239,564	239,943
Administrative expenses	-	-	211,803	211,803	222,618
Total costs	-	-	451,367	451,367	462,561
Merchandising surplus	7,492	27,312	63,227	98,031	55,237

The charity owns 100% of the share capital of its trading subsidiary Redwings Enterprises Limited, a company registered in England. The company operates all of the commercial trading activities of Redwings Horse Sanctuary. The company gift aids its taxable profits to Redwings Horse Sanctuary. A summary of its trading results and capital and reserves is shown below. Audited accounts are filed with the Registrar of Companies. The company's results are consolidated into the group accounts.

Turnover	514,898	468,295
Cost of sales and administration	(451,367)	(462,561)
Interest receivable	-	-
Interest payable	(3,760)	(3,760)
Operating profit	59,771	1,974
Payments under gift aid to parent company	(59,771)	(1,974)
Profit for the period retained by the subsidiary	-	-
The aggregate of assets, liabilities and funds was:		
Current assets	165,656	167,031
Creditors: amounts falling due within one year	(165,654)	(167,029)
General funds	2	2

REDWINGS HORSE SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

3 - Analysis of total resources expended

	Staff Costs	Direct Charitable Costs	Other Costs	Total Year Ended 31 December 2013	Total Year Ended 31 December 2012
	£	£	£	£	£
Fundraising and publicity	559,381	-	890,884	1,450,265	1,358,339
Sanctuary operations	4,689,664	1,851,417	-	6,541,080	6,147,778
Education	41,704	152,641	-	194,344	147,109
Governance	-	-	11,650	11,650	13,503
Total resources expended - charity	5,290,749	2,004,058	902,534	8,197,342	7,666,729
Merchandising costs	114,522	-	336,845	451,367	462,561
Total resources expended - group	5,405,271	2,004,058	1,239,379	8,648,709	8,129,290

Both Staff Costs and Other Costs contain costs that are directly allocated to activities as well as support costs that have been apportioned in accordance with the methods outlined in note 1-e.

4 - Staff costs

	Year Ended 31 December 2013	Year Ended 31 December 2012
	£	£
Wages and salaries	3,939,411	3,785,724
Social security costs	296,631	298,413
Pension costs	75,131	72,109
	4,311,172	4,156,246

Number of employees by function

Sanctuary and welfare	191	187
Fundraising and administration	65	56
	257	243

The number of employees whose emoluments exceeded £70,000 in the year was as follows

£70,001 - £80,000	1	1
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5 – Pension Costs

The charity operates defined contribution money purchase pension schemes on behalf of certain employees. The contributions to the schemes are paid into external independently administered funds. The pension cost charge represents contributions payable by the charity to the schemes amounted to £75,131 (2012 : £72,109). This includes a contribution of £7,777 (2012 : £7,739) made on behalf of the employee earning above £70,000 (2012: £70,000).

REDWINGS HORSE SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

6 - Net outgoing resources

	Year Ended 31 December 2013 £	Year Ended 31 December 2012 £
Remuneration of the charity auditors		
- audit	11,650	11,650
- non audit	2,900	-
Depreciation of tangible owned assets	461,477	473,490
Operating leases -		
- land and buildings	11,500	23,000

7 - Tangible fixed assets

	Group and Charity					Total £
	Freehold property £	Assets Under Construction	Leasehold property £	Wasting structures £	Plant & Equipment £	
Cost						
01 January 2013	13,406,535	21,285	-	1,727,756	2,158,074	17,313,650
Transfers	-	(13,098)	-	-	13,098	-
Additions	604,176	5,495	-	8,673	268,772	887,117
Disposals	-	-	-	-	(87,931)	(87,931)
31 December 2013	14,010,711	13,682	-	1,736,429	2,352,013	18,112,836
Depreciation						
01 January 2013	929,735	-	-	1,567,346	1,393,287	3,890,368
Transfers	-	-	-	-	-	-
Charged in year	108,039	-	-	74,251	279,187	461,477
Eliminated on disposal	-	-	-	-	(84,792)	(84,792)
31 December 2013	1,037,774	-	-	1,641,597	1,587,682	4,267,054
Net book value						
31 December 2013	12,972,937	13,682	-	94,832	764,332	13,845,782
31 December 2012	12,476,800	21,285	-	160,410	764,787	13,423,282

All assets are owned by the charity and are free from charge. The cost of freehold land not being depreciated included in land and buildings is £8,527,121 (2012 : £8,527,121).

REDWINGS HORSE SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

8 – Fixed Asset Investments

	Group		Charity	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	£	£	£	£
Quoted Investments				
Market Value at start of period	939,767	913,351	939,767	913,351
Additions at cost	161,498	58,873	161,498	58,873
Disposal Proceeds	(218,127)	(65,826)	(218,127)	(65,826)
Net Investment Gains (realised and unrealised)	116,258	33,369	116,258	33,369
Market Value at end of period	999,397	939,767	999,397	939,767
Un-quoted Investments				
Shares in Redwings Enterprises Limited	-	-	2	2
Total fixed asset investments	999,397	939,767	999,399	939,769
Historical Cost at 31 December 2013	748,656	731,592	748,656	731,592

Analysis of Quoted Investments at 31 December 2013 between funds:

Fixed Interest UK	134,412	289,775	134,412	289,775
Equities UK	675,214	643,904	675,214	643,904
Equities US	129,088	-	129,088	-
Equities Europe	30,320	-	30,320	-
Equities Other	17,774	-	17,774	-
Property Funds	12,589	6,088	12,589	6,088
	999,397	939,767	999,397	939,767

Included within the portfolio at the year end are the following investments which individually comprise more than five percent by value of the portfolio.

	Cost	Value
	£	£
	-	-
£120,000 Treasury 4.5% Stock 2019	118,994	134,412
5,800 Royal Dutch Shell Euro0.07 'B' shares	113,564	132,240
2,700 Diageo Ord GBX28.935185	22,005	54,000
4,000 Pearson Ord shares 25p	26,966	53,640
4,000 GlaxoSmithKline ord 25p	57,680	64,460
7,000 Mercantile Credit Ord GBP0.25	53,515	108,430
1,500 Findlay Park Llp American fund	61,963	64,664
6,000 Lombard Odier fund Sands US Growth	57,475	64,424
	512,162	676,270

REDWINGS HORSE SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

9 - Investments

	Group		Charity	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	£	£	£	£
Loan to Redwings Enterprises Limited (see note below)	-	-	150,000	150,000
Loan to SWHP	45,000	-	45,000	-
Interest in freehold land acquired from legacy	5,000	5,000	5,000	5,000
	50,000	5,000	200,000	155,000

The loan made by the charity to Redwings Enterprises Limited is unsecured and is due for repayment in one year from the balance sheet date. Interest is charged on the loan at 2% above the NatWest Bank plc's base rate.

In August 2002, the charity granted a tenancy to Redwings Enterprises Limited at an annual rent of £2,000 for its mail order operations. Its current annual rent is £3,000.

To support the charitable work of the registered charity, The Society for the Welfare and Protection of Horses & Ponies (SWHP), the Sanctuary has made a loan of £45,000 to SWHP. As described on page 7 of the Report of the Trustees, the Sanctuary is currently working towards a possible merger with SWHP.

10 - Stock

Stock of feed and consumables	85,358	78,390	85,358	78,390
Stock of veterinary supplies	47,429	73,158	47,429	73,158
Merchandising goods for resale	123,061	114,202	-	-
	255,848	265,750	132,787	151,548

11 - Debtors

Gift Aid & recoverable tax	133,421	74,379	133,421	74,379
Legacies receivable	3,247,559	2,733,751	3,247,559	2,733,751
Income accrued	4,372	112,311	4,372	112,311
Prepayments and other debtors	122,441	224,687	120,532	224,629
Trade debtors	6,372	10,574	5,437	9,782
	3,514,166	3,155,703	3,511,322	3,154,852

12 - Creditors: amounts falling due within one year

Creditors	422,003	307,412	409,793	297,769
Amount owed to subsidiary	-	-	37,930	61,841
Amount re merged Charity	-	-	100	100
Other creditors	14,715	14,031	15,512	14,145
VAT and social security	88,744	78,042	88,744	78,042
Accruals	99,963	171,355	96,516	163,967
Deferred income	-	-	-	-
	625,424	570,840	648,594	615,864

REDWINGS HORSE SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

13 - Funds	Fund Movements				Closing Balance	Represented by	
	Opening Balance	Incoming resources	Expended resources	Transferred resources		Fixed assets	Current assets
	£	£	£	£	£	£	£
Endowment							
WJ Turner Settlement	20,372	-	-	-	20,372	-	20,372
Restricted							
Recovery shelter	304,798	-	-	-	304,798	304,798	-
New farm & grazing	205,822	-	-	-	205,822	205,822	-
Reception & Assessment Centre	94,500	-	-	-	94,500	94,500	-
Ada Cole Memorial Stables	-	1,930	-	-	1,930	1,930	-
Breakfast Club	2,500	-	-	-	2,500	-	2,500
Welfare veterinary post	-	30,328	(30,328)	-	-	-	-
Caldecott visitor centre	-	1,000	(1,000)	-	-	-	-
Pen sections for Oxhill	-	1,000	(1,000)	-	-	-	-
Flat bed trailer and pen sections	-	3,250	(3,250)	-	-	-	-
Rug for Matty the foal	-	55	(55)	-	-	-	-
Total restricted	607,620	37,563	(35,633)	-	609,550	607,050	2,500
Total Endowment & Restricted	627,992	37,563	(35,633)	-	629,922	607,050	22,872
Designated							
Land and facilities acquired and developed	-	-	-	-	-	-	-
Planned capital expenditure	1,673,750	-	(428,810)	2,083,549	3,328,489	-	3,328,489
Revaluation reserve	208,177	42,565	-	-	250,742	250,742	-
General reserve	24,742,036	10,450,675	(8,184,263)	(2,083,549)	24,924,899	13,987,387	10,937,512
Total Unrestricted	26,623,963	10,493,240	(8,613,076)	-	28,504,127	14,238,129	14,265,998
Group Total	27,251,955	10,530,803	(8,648,709)	-	29,134,050	14,845,179	14,288,870

Purpose of funds

Name	Primary use of funds received and designated
Recovery Shelter	- Originally for the building of specially designed shelters in which equines can recover from illness and now associated with land at Hapton.
New Farm and grazing	- Purchase of additional land suitable for equine grazing and care.
Reception & Assessment Centre	- Site local to main operations for incoming animals to be checked before going to Sanctuary farms.
Ada Cole Memorial Stables	- Funds taken over on the merger of the 2 charities.
Breakfast Club	- Four months basic care for the group rescued in Ireland.
Welfare veterinary post	- One years salary for a welfare veterinary postion.
Caldecott visitor centre	- General costs to be spent at Caldecott visitor centre.
Pen sections for Oxhill	- Pen sections purchased for use at Oxhill.
Flat bed trailer and pen sections	- Flat bed trailer and pen sections purchased.
Rug for Matty the foal	- Rug purchased solely for Matty the foal.
Land and facilities acquired and developed	- Represents freehold property acquisitions during the year.
Planned capital expenditure	- Program of asset acquisitions and capital projects.
Transferred resources	- Reallocation of designated funds.
General reserve	- Represents the free funds of the charity which are not designated for particular purposes.

REDWINGS HORSE SANCTUARY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

14 – Financial Commitment

The charity has the following commitments :-
- Rent of barns under 3 year operating leases

	31 Dec 2013	Group and Charity 31 Dec 2012
The annual commitments under these contracts at 31 December 2013 were:	£	£
Expire within one year	11,500	11,500
Expire in years two to five	-	11,500

15 – Board of Trustees interests in transactions

- (a) No remuneration was paid to any member of the board during the period.
- (b) A trustee was reimbursed £915 (2012 one trustee – £798) in respect of travel expenses to attend Board of Trustee meetings and the official opening of Aylsham Visitor Centre.
- (c) Fees totalling £12,326 (2012 - £10,572) have been paid to Savills (L&P) Ltd of whom Mr M Little is a director. The fees were in respect of estate management and farm purchase.
- (d) An amount of £270 (2012: £266) was paid to Aylsham Agricultural Show Association of whom Mr M Little is also a director. These costs related to a trade stand at the Aylsham Show, Norfolk.

The above transactions are specifically permitted by the Charity's Memorandum of Association and were at arms length and in the ordinary course of business.

16 – Members Guarantee

The charity has no share capital but is limited by guarantee. Every member of the charity is a guarantor and undertakes to contribute to the assets of the charity, in the event of it being wound up, such amounts as may be required. Each guarantor's liability is limited to £1.

17 – Ada Cole Memorial Stables

By an agreement made between the Trustee Boards of Redwings Horse Sanctuary and Ada Cole Memorial Stables the two charities merged operations on 1 October 2005.

Under the agreement, Ada Cole Memorial Stables will continue in existence with a bank account of £100 and the name will continue on the register of charities.

All charitable activity is recorded in the books of Redwings Horse Sanctuary and trading activity is through Redwings Enterprises Limited.