

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 31<sup>st</sup>, 2016*

**REDWINGS HORSE SANCTUARY  
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*FOR THE YEAR ENDED 31 DECEMBER 2016*

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**REDWINGS HORSE SANCTUARY  
LEGAL & ADMINISTRATIVE INFORMATION**

*FOR THE YEAR ENDED 31 DECEMBER 2016*

<b>Full name of charity</b>	Redwings Horse Sanctuary Norwich Road, Hapton, Norfolk, NR15 1SP
<b>Constitution</b>	A charitable company limited by guarantee.
<b>Governing document</b>	Memorandum and Articles of Association as last amended on 15 <sup>th</sup> June 2014
<b>Objects of the Charity</b>	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.
<b>Company registration number</b>	03524502
<b>Charity registration number</b>	1068911 (England & Wales) SC045070 (Scotland)
<b>Trustees</b>	Stephen Clark, Chairman Andrew Fryer (appointed Treasurer 15 <sup>th</sup> February 2017) Peter Horrocks Mark Little FRICS FAAV Ann Polley, Deputy Chairman  The Trustees constitute Directors of the charity and Trustees of the charitable company for the purposes of the Charities Act 2013. 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.
<b>Chief Executive &amp; Secretary</b>	Lynn Cutress MBA
<b>Bankers</b>	NatWest Bank plc, 45 London Street, Norwich, NR2 1HX
<b>Auditors</b>	Larking Gowen Chartered Accountants, King Street House, 15 Upper King Street, Norwich, NR3 1RB
<b>Investment managers</b>	Quilter Cheviot, One Kingsway, London, WC2B 6AN

**REDWINGS HORSE SANCTUARY**  
**REPORT OF THE TRUSTEES**  
*FOR THE YEAR ENDED 31 DECEMBER 2016*

**Mission Statement**

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

**Who we are, what we do**

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 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.

We operate from ten sites with over 1,300 acres of grazing land located in Norfolk, Essex, Warwickshire and Angus in Scotland. Five of these sites are Visitor Centres - open to the public and free to visit.

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

In 2015 we merged with Mountains Animal Sanctuary in order to expand our work, provide sanctuary and rehome in Scotland.

**Rescue and Admissions**

Where possible we try to help horses remain in the care of their owners through providing advice. During 2016 Redwings Welfare & Horse Care Helpline gave advice 1,301 times. The team also responded to 280 comprehensive email and written enquiries and investigated 207 concerns (a 13% increase on 2015). The number of calls has reduced from last year but the complexity of call and time spent per call has increased.

Our welfare team is led by a highly experienced senior veterinary surgeon and is supported by two dedicated welfare veterinary surgeons who attend rescues and cases in order to ensure proper assessment at the earliest opportunity. We have two senior field officers, plus a team of 29 volunteer welfare officers who act as our eyes and ears across the UK.

We have significant expertise in round-ups of feral herds or horses with behavioural challenges where we can be called in to send a dozen or more staff with pen sections, vets, drivers and horse handlers.

Our in-house veterinary teams have developed expertise in the infectious disease strangles through numerous cases admitted to us. Before we admit a horse, donkey or mule, each animal undergoes assessment at either our main Quarantine & Reception Centre or set-aside quarantine facilities at our satellite centres outside Norfolk. In 2016 we had a significant number of horses in external boarding awaiting admissions rather than place further burdens on our horse care and veterinary teams.

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In 2016 we took in 144 horses and donkeys into our care. Acknowledging the continued challenge of being full, by the end of 2016, 10 of these horses were still being cared for at boarding establishments outside our centres following a substantial case, where we offered homes to 147 horses (including foals later born to pregnant mares) from this case alone.

**Rehabilitation & Equine Behaviour**

Redwings has a specialist team who focus on leading on our rehabilitation and equine behaviour. The team cascades our approach to horse behaviour to ensure consistency of handling and a positive experience for our rescued herds. We take in behaviour case referrals from other organisations. Our work during round-ups is built around our extensive efforts in understanding feral herds. By spending time and applying our knowledge rescued feral horses are transformed to a point when they no longer have need for sedation for the farrier. Our specialist behaviour team is keen to share their knowledge and (i) has advised other equine welfare charities, (ii) have peer welfare workers spend time observing our work, and (iii) run our own internal training programme. New Redwings staff have equine behaviour training aimed at instilling our approach from day one, as well as ensuring our people are safe in their day to day care of our rescued herd.

**Sanctuary – a home for life**

Redwings provides permanent sanctuary care to over 1,500 horses, ponies, donkeys and mules who have often suffered neglect or come from difficult circumstances. Many of our permanent residents cannot be rehomed, often because they require lifelong specialist care (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 to 19), 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. Redwings has a large older population with 16% veterans and 20% geriatrics.

Redwings always strives to maintain the highest possible care standards. We have an Internal Welfare Group dedicated to monitoring our internal care standards and looking at trends in equine care. We encourage suggestions from staff on how we can best deliver our day-to-day care and we run Internal Welfare Seminars sharing our horse welfare and care knowledge and veterinary expertise.

**Rehoming of ridden or companion horses**

Those horses that have been retired or require life-long specialist care (veterinary or behavioural or both) will always remain in the direct care of Redwings. Depending on their needs, some may be rehomed as companion horses.

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 be found a suitable foster home. The Guardianship Scheme allows us to rehome the healthier horses, creating space for those horses requiring our help. At 31<sup>st</sup> December 2016 we had 396 horses in guardian homes, less than 2015 (421) as many of our horses out on loan are geriatric and passed away in 2016.

During 2016 38% of our new arrivals were aged under three years old and 12% 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.

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

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 step in and return the horse to the Sanctuary. Our welfare officers performed 437 checks on rehomed horses in 2016, including checks on those horses rehomed by other charities where we were geographically closer.

### **Education and campaigning**

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

We work with a wide range of people to help disseminate information and promote equine welfare:

- In addition to visiting groups from schools, we work directly with educational groups, including schools, universities and colleges, and local community groups by giving talks and visitor experiences to educate on key equine welfare issues, such as parasite control, horse care at Redwings, grooming and dietary needs. We also hold seminars for horse owners on veterinary care.
- The education section of our website ([www.redwings.org.uk](http://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 run educational campaigns, including laminitis awareness, use of grazing muzzles and biosecurity.
- We host training days for farriers and equine dentists.
- In 2016 we started training days on horse behaviour for the RSPCA and services such as fire.
- We continued with an excellent response in the second year of our campaign at the Appleby travellers' fair, called 'Best in Show', encouraging good horse care and spreading the word to this horse-owning community.

### **The people behind Redwings**

#### **Our 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, donating items for sale, or visiting us and buying tea and cake, we appreciate all forms of support.

#### **Our volunteers**

Our volunteers give their time to the Charity. Our national field work is supported by a team of volunteers, many of whom have volunteered for us for over two decades and enjoy being part of our team. Their horse knowledge and experience is invaluable to our welfare and rehoming teams.

At the end of 2016 we launched a new volunteer programme including help with administration and at our visitor centres.

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**Staff**

We employ 280 staff, the great majority of our paid staff working 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, behaviour, rehoming, and dedicated quarantine).

At Hapton in Norfolk, we run a small back office including essential functions such as finance, legacies, supporter services, IT, human resources and health & safety, as well as fundraising and communications.

We have front line staff leading our field and welfare work supported by dedicated welfare veterinary surgeons. Our visitor centres teams meet our supporters and inform them about our work.

Redwings is committed to equality of opportunity for all, whether that be our employees, applicants for employment, volunteers, supporters or users of our services. We work to ensure that no person is discriminated against, for example by having fair systems in place for recruitment and selection and pay and recognition, and believe that everyone has the right to be treated fairly. We understand our responsibilities under the Equality Act 2010, with a no tolerance approach to discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

The Charity is committed to training and development of all our staff. Our in-house training facilities have been developed to accommodate a lift and light and airy training rooms.

With staff delivering such a variety of work for the Charity, Redwings has a bespoke job evaluation scheme in order to assess each role.

Pay is set annually using benchmarking for all staff including senior management with national and local comparisons. We are mindful of our funding model and when using published pay ranges for comparison, we review pay based on the lower quartiles.

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**Public Benefit**

The 2011 Charities Act requires that we demonstrate the public benefit of our work. In considering our objectives and activities, our Trustees complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. Our nationwide work benefits the public through the following ongoing activities:

- Offering advice through our dedicated Horse Care & Welfare Helpline to 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 before we then act 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 Handler 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 stranglers. Finally, our in-house veterinary surgeons speak at external private practice client evenings where they can offer advice on horse health and ailments.
- 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 hosting 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 on the Board of the National Equine Welfare Council (NEWC).
- Providing an informed education programme, through attendance at schools, colleges and clubs and giving welfare advice or more specific care talks. Our centres regularly receive and look after school groups and colleges allowing to see first-hand the care Redwings provides to some of its 1,500 residents. We also provide free educational material through a variety of media including our two websites ([redwings.org.uk](http://redwings.org.uk) and [youngredwings.co.uk](http://youngredwings.co.uk)), leaflets and displays at our centres and events.
- Providing employment to 280 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.
- Working with the traveller community to offer equine passporting and microchipping initiatives, whilst using the opportunity to engage and raise equine welfare standards.
- Providing free-to-visit visitor centres and opening our horse hospital and Hapton centre at no charge, giving access to all. Our centres all have cafés and shops allowing us to support tourism and the local economies.
- Running a rehoming scheme for our suitable rescued horses to have a life outside Redwings with guardians who are able to meet our horses' needs.
- Running a volunteer programme, including welfare field officers who support our Welfare and Rehoming Teams.
- Managing our land holdings, both as a responsible landowner respecting the environment and welcoming the public on the footpaths through our sites.



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**Our Strategy**

Our 2015-2017 Strategic Plan builds knowledge on the continuing equine crisis. It makes the most of our experience from being the UK's largest horse sanctuary and a leader in horse welfare.

The Plan has five Priority sections:

- Horses
- People
- Resources
- Communications
- Environment.

In 2015 we merged with an equine welfare charity based in Scotland, Mountains Animal Sanctuary. In the following months we carried out a programme of capital works and invested in facilities. We recruited more staff and in Easter 2016 we reopened as Redwings Mountains.

Our Strangles Survey ran in 2016, with we launched the results at the Equine Sector Council meeting in December. Developed in collaboration with the University of Liverpool, the survey attracted almost 5,000 respondents, with 2002 completing its 60+ questions in full. Encouragingly, responses to questions throughout the survey showed an interest and willingness from horse owners to improve biosecurity.

Our work in South Wales continued, including a round up and removal of seven ponies and one foal from a site on Gelligaer Common, Caerphilly.

Our senior welfare veterinary surgeon and the RSPCA Inspector removed the ponies under the Animal Welfare Act 2006 supported by a team from Redwings assessing their condition and rounding up the horses. No owner could be found and seven of the ponies have now been signed over into the permanent care of Redwings and will therefore have a home for life at Redwings.

Meanwhile, on the same day we assisted RSPCA Cymru and Powys County Council to remove eleven horses and a foal from nearby Llangynidr Common. Following clinical assessment by Redwings' welfare veterinary surgeon, they found that three horses were subject to welfare concerns and the RSPCA appealed for information to find their owner, to no avail. All horses were removed on authority of the Powys County Council using the Control of Horses (Wales) Act. They have now been signed over into our permanent care and will therefore have a home for life.

Over the last five years, we have been working hard to help the ponies who live semi-wild on Bodmin Moor in Cornwall. In 2016 that included three trips to Bodmin and 23 new arrivals to the Sanctuary. Equine welfare has been very challenging on Bodmin due to an overpopulation of ponies beyond those that should be grazed according to the commoners' rights. Improvements have now been made, including setting up a Bodmin Moor Commons Council, which we helped to campaign for. Such situations are far from perfect and charities cannot continue to pick up the pieces when things go wrong.

Thanks to Norfolk Trading Standards and colleagues in World Horse Welfare the year ended with a ban from keeping horses for a so-called sanctuary called Rainbow Meadows; from which we had to seize horses in 2015 when our welfare veterinary surgeon found the horses were suffering and required urgent veterinary treatment. It was distressing that the sanctuary owners failed to take the advice offered by our vets and field officers, or by Trading Standards Officers. This set-up could not continue as a sanctuary should be a place of rescue, not somewhere from which horses should be seized.

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Our commitment to and demand for partnership working remained high including round ups for local authorities and other charities. We continued to extend our work by our veterinary, field and educational staff attending traveller fairs and other traveller engagement programmes, alongside other charities and authorities. In 2016 we took part in five BHS Castration Clinics and nine Passporting/Microchipping Days.

Our small communications 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 – by the end of 2016 we had 92,650 Facebook fans.

With 1,500 horses and donkeys in our everyday care, the way that we manage our herds can make a significant impact. We run a targeted worming programme on the majority of our sites which helps to reduce spend (and dependency on chemicals) on wormers knowing which horses were worm-free.

In 2016 we made progress on the digital connectivity of some of our centres, following a significant investment to aim for consistency of resource management across all our centres regardless of geographical distance. Electronic systems are essential to this approach. In 2016 we invested in a new financial and human resources database, progressing further in our aim to reduce paper and cut administration processing costs.

**Our Plans for the future**

At Redwings the number of horses in our direct care has increased from 1,454 to 1,510 (4%), as well as horses in external boarding that we fund, and the number of horses out on loan in guardian (foster) homes for which Redwings retains ownership has decreased from 421 to 396. With this increased internal horse population our annual horse care budgets have had to grow and our need for fundraising became even more important.

With the pressures of continuing to run the Sanctuary farms 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. Our review of our land holdings started to be implemented in 2016, with our most major capital programme of works for over a decade as the result. Subject to Planning permissions, we aspire to having each of our visitor centres to dual as rehoming centres and increase the number of horses we have out on loan. We were delighted to achieve full Planning consent for our Oxhill centre in August 2016 and plan for the development to commence in 2017.

**Financial position at year end**

Income is unpredictable. In particular we rely on and appreciate income from legacies to fund a large percentage of our work. We are prudent in our forecasting as our legacy income has helped us enormously but we cannot assume it will continue at this high level. We review our income quarterly and monitor the Charity's expenditure closely.

Due to a significant increase in legacy income and a reduction in expenditure we ended the year with a £3 million surplus in income after overall consolidated expenditure. The Charity always seeks to reduce expenditure where possible but some of our horse care costs remain unavoidably high, including forage and veterinary drugs as well as major maintenance and environmental spend. Wages are a large part of our costs. In 2016 staff costs accounted for over £5 million of our annual spend, increasing significantly due to the statutory minimum wage.

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**Reserves**

The balance sheet shows the Charity's reserves at 31<sup>st</sup> December 2016. To quantify the funds which are freely available for general purposes, it is necessary to consider how the reserves are applied.

	£
Total unrestricted reserves at the balance sheet date	33,318,340
Tangible fixed assets	(15,812,581)
Excluding restricted tangible fixed assets	877,050
	<u>18,382,809</u>

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 horses 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.
- Our cost of keeping horses includes ensuring that a maintenance programme for facilities and land is in place and sufficiently resourced.
- Our 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).

The Trustees believe that in view of this level of expenditure it is prudent to hold an appropriate reserve for sanctuary costs on a large scale of over 1,500 horses and donkeys.

Our reserve levels were reviewed in 2016 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 some of our biggest costs are feed, forage, and veterinary; all of which have increased above inflation over successive years. In the past we have stepped in to assist other charities with funding problems or even where they face closure, but as we are the UK's largest charitable provider of permanent residence to horses in need, we need to be realistic about who would be able to rescue us. Our 2016 reserves review concluded that in order for Redwings to be managed efficiently, we should work towards establishing a 'buffer' in the form of a general reserve equivalent to 18 months of unrestricted fund expenditure. Based on relevant expenditure during the year under review this reserve would amount to approximately £14.6 million.

In addition to these running costs a further £3.5 million has been proposed for spending on improved facilities and capital projects, focusing on providing the best care for our horses and donkeys. In particular our planned rehoming expansion (starting at Oxhill in the Midlands) requires a major investment in facilities to ensure we can prepare horses for rehoming and ensure a good match between guardian and horse.

The Trustees review actual and projected spend on a quarterly basis, particularly in the light of income from legacies which can have a significant impact on annual income.

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**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. 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 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 interest-earning 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.

**Financial strategy**

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.

The Trustees review financial trends on income and expenditure quarterly, this includes those trends associated with the trading arm of Redwings, Redwings Enterprises Limited (REL). REL markets and sells Redwings branded products and associated merchandise. While it has historically made a profit, the 2016 full year results for REL show a loss of £33,172. This was due to a reduction in sales of £58,881 and a 5% fall in achieved Gross Profit percentage (2016: 49.19% v 2015:54.19%). While there was a reduction in administration expenses, this was not sufficient to offset the trading loss. A review was undertaken and a post directly associated with the trading operation at a management level was made redundant. The costs of this redundancy are included in the 2016 financial year. REL plays an important role in our trading at our visitor centres, at external events and our mail order operation; having made these changes the Trustees are confident that trading will return REL to a profit-making operation.

**Principal Risks and Uncertainties**

The Trustees have a formal risk management process to assess the risks faced by the Charity and to implement strategies to manage those risks. A Risk Management Register is maintained 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 include:

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**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 including an external audit in 2016.

**Rehoming of unsuitable riding horses** – controls include assessment of each 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. The full review of our procedures has lessened these risk. 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).

**Decline in income sources** – as we are funded purely by the public we cannot completely predict our annual income. We are responsible for horses in our sanctuary for the rest of their days and for any in guardian homes that could be returned. Our reserves are essential since we cannot risk reducing the level of care. We now run a quarterly financial review which has proved invaluable.

Some risks we can only manage but not eliminate as our strangles outbreak reminded us in 2015. 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 we continue to spread our knowledge to the wider public with the Strangles Action Campaign aimed at livery yards and private horse owners.

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**Governance and Management**

**Governance**

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.

**Management**

Day-to-day operational control of the Sanctuary has been delegated by the Management Board to a Chief Executive and Secretary who in turn is supported by a Senior Management team of professionals in finance, communications, fundraising and veterinary.

**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 subscriptions for Board members of a governance publication.

**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 a regular Skills Audit to ensure the knowledge is there to lead the Charity.

**Fundraising**

As Trustees, we have always been aware of our responsibility and commitment in the strategic leadership of Redwings as a charity which values its supporters.

Until its closure we were members of the Fundraising Standards Board. We took part in the consultation on the Code of Fundraising Practice and we support our Chief Executive (who joined Redwings as an experienced fundraiser) and her team in our aim to keep our work funded in a wholly ethical manner.

After a review in 2016 we changed the way we obtain and keep supporter data, giving individuals the chance to opt in to communications rather than opt out. Like many charities this meant we would see a drop in the number of new people we communicated with. Although the number of new donors increased by 6.5%, over 10,000 people decided not to receive direct mail.

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**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 including the Strategic 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 2015 (FRS 102);
- 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, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.

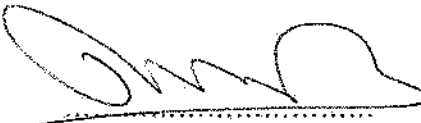
**Statement of disclosure to auditors**

(a) So far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware.

(b) The Trustees 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, including the strategic report was approved by the Trustees on 26th April 2017**

  
..... 26.4.17  
S Clark  
Chairman

  
.....  
A Fryer  
Treasurer

## **Independent Auditor's Report to the members and trustees of Redwings Horse Sanctuary**

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We have audited the group financial statements of Redwings Horse Sanctuary for the year ended 31 December 2016 which comprise the Group and the Parent Charitable Company 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 and to the charitable company's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/auditscopeukprivate..](http://www.frc.org.uk/auditscopeukprivate..)

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2016 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).



## Independent Auditor's Report to the members and trustees of Redwings Horse Sanctuary (continued)

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### Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report, including the strategic report, have been prepared in accordance with legal requirements.

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

### 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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, Statutory Auditors**

**Norwich**

**26<sup>th</sup> April 2017**

REDWINGS HORSE SANCTUARY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted Funds £	Endowment £	Restricted Funds £	Total Year Ended 31 December 2016 £	Total Year Ended 31 December 2015 £
<b>Income and endowments from:</b>						
Donations and legacies		11,380,383	-	448,450	11,828,833	9,540,080
Acquisition of Mountains Animal Sanctuary		-	-	-	-	1,358,140
<b>Income from other trading activities:</b>						
Merchandising income	2	441,150	-	-	441,150	514,016
Lottery income		290,813	-	-	290,813	305,402
Estate Grants & other income		112,900	-	-	112,900	99,018
Investment income		184,893	-	-	184,893	191,157
<b>Total income</b>		<b>12,410,139</b>	<b>-</b>	<b>448,450</b>	<b>12,858,589</b>	<b>12,007,813</b>
<b>Expenditure</b>						
<b>Cost of raising funds:</b>						
Fundraising and publicity		1,726,536	-	-	1,726,536	1,878,708
Merchandising costs		439,098	-	-	439,098	461,722
<b>Expenditure on charitable activities:</b>						
Sanctuary operations		7,692,045	-	147,000	7,839,045	7,461,163
Education		185,826	-	-	185,826	199,275
<b>Total expenditure</b>	3	<b>10,043,505</b>	<b>-</b>	<b>147,000</b>	<b>10,190,505</b>	<b>10,000,868</b>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>		<b>2,366,634</b>	<b>-</b>	<b>301,451</b>	<b>2,668,085</b>	<b>2,006,945</b>
Net gains/(losses) on investments		304,310	-	-	304,310	54,268
<b>Net movement in funds</b>		<b>2,670,944</b>	<b>-</b>	<b>301,451</b>	<b>2,972,395</b>	<b>2,061,213</b>
<b>Reconciliation of funds:</b>						
Funds brought forward		30,647,396	20,372	671,735	31,339,503	29,278,291
<b>Total funds carried forward</b>		<b>33,318,340</b>	<b>20,372</b>	<b>973,186</b>	<b>34,311,898</b>	<b>31,339,503</b>

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.


All of 2015 income was unrestricted with the exception of £186,053 of donations and gifts classed as restricted funds. All of 2015 expenditure was unrestricted with the exception of £121,368 Sanctuary Operations Expenditure classed as restricted funds.


# REDWINGS HORSE SANCTUARY

## BALANCE SHEETS AS AT 31 DECEMBER 2016

	Notes	CONSOLIDATED BALANCE SHEET		PARENT COMPANY BALANCE SHEET	
		31 Dec 2016 £	31 Dec 2015 £	31 Dec 2016 £	31 Dec 2015 £
<b>Fixed assets</b>					
Tangible assets	7	15,812,581	16,155,893	15,812,581	16,155,893
Investments	8	2,777,078	2,530,516	2,777,080	2,530,518
<b>Total Fixed Assets</b>		<b>18,589,659</b>	<b>18,686,409</b>	<b>18,589,661</b>	<b>18,686,411</b>
<b>Current assets</b>					
Investments	9	275,000	5,000	425,000	155,000
Stocks	10	241,511	322,302	141,962	141,476
Debtors	11	6,102,818	4,739,683	6,097,031	4,746,873
Cash at bank and in hand		9,768,479	8,142,083	9,753,756	8,146,440
<b>Total Current Assets</b>		<b>16,387,808</b>	<b>13,209,068</b>	<b>16,417,749</b>	<b>13,189,789</b>
<b>Liabilities</b>					
Creditors falling due within one year	12	665,568	555,973	662,339	536,696
<b>Net Current Assets</b>		<b>15,722,240</b>	<b>12,653,094</b>	<b>15,755,409</b>	<b>12,653,091</b>
<b>Net Assets</b>		<b>34,311,898</b>	<b>31,339,503</b>	<b>34,345,070</b>	<b>31,339,503</b>
<b>Funds</b>					
<b>The funds of the charity:</b>					
Endowment fund		20,372	20,372	20,372	20,372
Restricted funds		973,186	671,735	973,186	671,735
Designated funds		3,546,993	3,372,074	3,546,993	3,372,074
Revaluation reserve		286,321	30,827	286,321	30,827
General reserve		29,485,025	27,244,495	29,518,197	27,244,495
<b>Total Unrestricted Funds</b>		<b>33,318,340</b>	<b>30,647,396</b>	<b>33,351,511</b>	<b>30,647,396</b>
<b>Total Charity Funds</b>		<b>34,311,898</b>	<b>31,339,503</b>	<b>34,345,070</b>	<b>31,339,503</b>

The financial statements on pages 18 to 29 were approved by the Trustees on 26th April 2017.

  
A Polley  
Vice Chair

  
A Fryer  
Director

## REDWINGS HORSE SANCTUARY

### PARENT COMPANY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Unrestricted Funds £	Endowment £	Restricted Funds £	Total Year Ended 31 December 2016 £	Total Year Ended 31 December 2015 £
<b>Income and endowments from:</b>						
Donations and legacies		11,380,383	-	448,450	11,828,833	9,540,080
Acquisition of Mountains Animal Sanctuary		-	-	-	-	1,358,140
Funds received from Redwings Enterprises Limited		-	-	-	-	2,969
<b>Income from other trading activities:</b>						
Merchandising income	2	31,589	-	-	31,589	45,574
Lottery income		290,813	-	-	290,813	305,402
Estate Grants & other income		112,900	-	-	112,900	99,018
Investment income		188,528	-	-	188,528	194,908
<b>Total income</b>		<b>12,004,213</b>	<b>-</b>	<b>448,450</b>	<b>12,452,663</b>	<b>11,546,090</b>
<b>Expenditure</b>						
<b>Cost of raising funds:</b>						
Fundraising and publicity		1,726,536	-	-	1,726,536	1,878,708
<b>Expenditure on charitable activities:</b>						
Sanctuary operations		7,692,045	-	147,000	7,839,045	7,461,163
Education		185,826	-	-	185,826	199,275
<b>Total expenditure</b>	3	<b>9,604,407</b>	<b>-</b>	<b>147,000</b>	<b>9,751,407</b>	<b>9,539,146</b>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>		<b>2,399,806</b>	<b>-</b>	<b>301,451</b>	<b>2,701,257</b>	<b>2,006,945</b>
Net gains/(losses) on investments		304,310	-	-	304,310	54,258
<b>Net movement in funds</b>		<b>2,704,116</b>	<b>-</b>	<b>301,451</b>	<b>3,005,567</b>	<b>2,061,213</b>
<b>Reconciliation of funds:</b>						
Funds brought forward		30,647,396	20,372	671,735	31,339,503	29,278,289
<b>Total funds carried forward</b>		<b>33,351,512</b>	<b>20,372</b>	<b>973,186</b>	<b>34,345,070</b>	<b>31,339,503</b>

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.

All of 2015 income was unrestricted with the exception of £186,053 of donations and gifts classed as restricted funds. All of 2015 expenditure was unrestricted with the exception of £121,368 Sanctuary Operations Expenditure classed as restricted funds.

## REDWINGS HORSE SANCTUARY

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Total Funds 2016 £	Prior Year Funds 2015 £
<b>Cash flows from operating activities:</b>	a		
<b>Net cash provided by (used in) operating activities</b>		1,736,439	1,241,433
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		184,893	160,085
Proceeds from the sale of property, plant and equipment		11,708	187,524
Purchase of property, plant and equipment		(364,393)	(3,243,592)
Proceeds from sale of investments		680,635	308,235
Purchase of investments		(622,886)	(285,474)
<b>Net cash provided by (used in) investing activities</b>		(110,043)	(2,873,221)
<b>Change in cash and cash equivalents in the reporting period</b>		1,626,396	(1,631,788)
<b>Cash and cash equivalents at the beginning of the reporting period</b>	b	8,142,083	9,773,871
<b>Cash and cash equivalents at the end of the reporting period</b>	b	9,768,479	8,142,083
<b>a) Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>			
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>		2,668,085	2,006,945
<b>Adjustments for:</b>			
Depreciation charges		721,986	772,113
Dividends, interest and rents from investments		(184,893)	(160,085)
Loss/(profit) on the sale of fixed assets		(5,989)	(16,708)
Decrease in stocks		80,791	(49,784)
Increase in debtors		(1,363,135)	(1,098,083)
Increase in creditors		109,595	(202,200)
Property received from a legacy/gifts/trusts		(290,000)	(10,766)
<b>Net cash provided by (used in) operating activities</b>		1,736,439	1,241,433
<b>b) Analysis of cash and cash equivalents</b>			
		Current Year £	Prior Year £
Cash in hand		7,768,479	6,642,083
Notice deposits (less than 3 months)		2,000,000	1,500,000
<b>Total cash and cash equivalents</b>		9,768,479	8,142,083

# REDWINGS HORSE SANCTUARY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 - Accounting policies

#### a. Basis of preparation

The accounts (financial statements) have been prepared under the historical costs convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) in these accounts. The financial statements have been prepared in accordance with the Statements of Recognised Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The Charity constitutes a public benefit entity as defined by FRS 102.

#### b. Transition to FRS102 and Reconciliation with previous Generally Accepted Accounting Practices

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. No restatements were required.

#### 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. Income

All income is accounted for in the SOFA when the charity is legally entitled to the income, and it is probable that the income will be received.

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.

Income from other trading activities comprise merchandising income, 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. Expenditure

All expenditure is included in the SOFA on an accruals basis and is recognised when there is a legal or constructive obligation to pay, it is probable that settlement will be required and the amount of the obligation can be measured

#### 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 2016

### 1 - Accounting policies (continued)

#### g. Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities included the net gains and losses arising on revaluation and disposals through the year.

Investment property is carried at fair value determined annually by the trustees. No depreciation is charged. Changes in fair value are recognised in the statement of financial activity.

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 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.

#### j. Mountains Animal Sanctuary - accounting treatment (relates to 2015 comparatives)

For combinations that are gifts the amounts by which the fair value of the assets received exceeds the fair value of the liabilities assumed is recognised as a gain within income as a donation.

#### k. Judgements in applying accounting policies and key sources of estimation uncertainty

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. These estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The judgements, estimates and assumptions which have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addresses below:

##### Legacy Debtor

The charity has entitlement to legacy income at the 31 December but which will be received after the year end. An estimate of the amount of be received has to be made at the year end. See note 11 for the legacy receivable debtor at the year end.

##### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of the property plant and equipment, and note 1f for the useful economic lives for each class of assets.

### 2 - Merchandising income

	Affinity Card	Sale of Donated goods	Redwings Enterprises Ltd sales	Total Year Ended 31 December 2016	Total Year Ended 31 December 2015
	£	£	£	£	£
Parent company	4,793	26,796	-	31,589	45,574
Subsidiary company	1,698	-	407,863	409,561	468,442
<b>Total income</b>	<b>6,491</b>	<b>26,796</b>	<b>407,863</b>	<b>441,150</b>	<b>514,016</b>
<b>Merchandising costs</b>					
Subsidiary company cost of sales	-	-	208,423	208,423	215,104
Administrative expenses	-	-	230,675	230,675	246,618
<b>Total costs</b>	<b>-</b>	<b>-</b>	<b>439,098</b>	<b>439,098</b>	<b>461,722</b>
<b>Merchandising surplus</b>	<b>6,491</b>	<b>26,796</b>	<b>(31,235)</b>	<b>2,052</b>	<b>52,294</b>
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 the charity. The company gift aids its taxable profits to the charity. 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.					
<b>Turnover</b>				<b>409,561</b>	<b>468,442</b>
Cost of sales and administration				(439,098)	(461,722)
Interest receivable				-	-
Interest payable				(3,635)	(3,751)
<b>Operating profit</b>				<b>(33,172)</b>	<b>2,969</b>
Payments under gift aid to parent company				-	(2,969)
<b>Profit for the period retained by the subsidiary</b>				<b>(33,172)</b>	<b>-</b>
The aggregate of assets, liabilities and funds was:					
Current assets				131,230	180,093
Creditors: amounts falling due within one year				(164,400)	(180,091)
<b>Total net assets</b>				<b>(33,170)</b>	<b>2</b>

## REDWINGS HORSE SANCTUARY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

#### 3 - Analysis of expenditure

	Staff Costs	Direct Charitable Costs	Other Costs	Total Year Ended 31 December 2016	Total Year Ended 31 December 2015
	£	£	£	£	£
Fundraising and publicity	720,333	-	1,006,203	1,726,536	1,878,708
Sanctuary operations	5,724,700	2,114,341	-	7,839,045	7,446,254
Education	35,395	150,431	-	185,826	199,275
Governance	-	-	-	-	14,909
<b>Expenditure - charity</b>	<b>6,480,428</b>	<b>2,264,772</b>	<b>1,006,203</b>	<b>9,751,407</b>	<b>9,539,146</b>
Merchandising costs	100,604	-	338,495	439,098	461,722
<b>Expenditure - group</b>	<b>6,581,032</b>	<b>2,264,772</b>	<b>1,344,698</b>	<b>10,190,505</b>	<b>10,000,868</b>

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 2016	Year Ended 31 December 2015
	£	£
Wages and salaries	4,711,525	4,526,607
Social security costs	321,538	305,226
Pension costs	126,157	128,237
	<b>5,159,220</b>	<b>4,960,070</b>

#### Number of employees by function

Sanctuary and welfare	206	205
Fundraising and administration	74	78
	<b>280</b>	<b>283</b>

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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Remuneration for the seven Senior Management Team members totalled £415,781 (2015: £427,567). This included a statutory redundancy payment. At the end of 2016 there were only six Senior Managers. Total expenses for 2016 were £9,574 (2015: £11,666).



## REDWINGS HORSE SANCTUARY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

#### 5 – Pension Costs

The charity operates defined contribution 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, which amounted to £126,157 (2015: £128,237). This includes a contribution of £7,971 (2015: £7,971) made on behalf of the employees earning above £70,000 (2015: £70,000).

#### 6 - Net outgoing resources.

	Year Ended 31 December 2016 £	Year Ended 31 December 2015 £
Remuneration of the charity auditors		
- Audit of these accounts	9,500	9,500
- Audit of subsidiary undertakings	2,000	2,000
- Taxation compliance services	150	150
- Tax advisory	483	1,422
- Corporate finance transactions	-	-
- Other non audit services	-	1,837
Depreciation of tangible owned assets	721,986	772,113
Operating leases -		
- land and buildings	26,500	11,500

#### 7 - Tangible fixed assets

	Group and Charity				Total £
	Freehold property £	Assets Under Construction £	Wasting structures £	Plant & Equipment £	
<b>Cost</b>					
01 January 2016	15,360,482	55,621	2,655,181	3,356,552	21,427,837
Transfers	(217,520)	(50,766)	224,570	8,636	(35,080)
Additions	20,000	30,319	37,033	298,500	385,852
Disposals	-	(1,459)	(2,045)	(74,139)	(77,642)
<b>31 December 2016</b>	<b>15,162,962</b>	<b>33,715</b>	<b>2,914,740</b>	<b>3,589,549</b>	<b>21,700,966</b>
<b>Depreciation</b>					
01 January 2016	1,287,685	-	1,848,581	2,135,678	5,271,944
Transfers	(53,461)	-	748	17,633	(35,080)
Charged in year	128,594	-	133,926	459,466	721,986
Eliminated on disposal	-	-	(2,045)	(68,420)	(70,465)
<b>31 December 2016</b>	<b>1,362,818</b>	<b>-</b>	<b>1,981,211</b>	<b>2,544,356</b>	<b>5,888,385</b>
<b>Net book value</b>					
<b>31 December 2016</b>	<b>13,800,144</b>	<b>33,715</b>	<b>933,529</b>	<b>1,045,192</b>	<b>15,812,581</b>
<b>31 December 2015</b>	<b>14,072,797</b>	<b>55,621</b>	<b>806,601</b>	<b>1,220,875</b>	<b>16,155,894</b>

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 £8,657,228 (2015 : £9,702,206).

## REDWINGS HORSE SANCTUARY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

#### 8 – Fixed Asset Investments

	Group		Charity	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	£	£	£	£
<b>Quoted Investments</b>				
Market Value at start of period	1,977,069	1,934,794	1,977,069	1,934,794
Additions at cost	622,886	285,474	622,886	285,474
Investment shares received from a legacy/gift	-	10,767	-	10,767
Disposal Proceeds	(681,754)	(308,235)	(681,754)	(308,235)
Net Investment Gains (realised and unrealised)	208,877	54,268	208,877	54,268
Market Value at end of period	2,127,078	1,977,069	2,127,078	1,977,069
<b>Investment property</b>				
Investment property at start of period	553,447	553,447	553,447	553,447
Revaluation	96,553	-	96,553	-
Market Value at end of period	650,000	553,447	650,000	553,447
<b>Un-quoted Investments</b>				
Shares in Redwings Enterprises Limited	-	-	2	2
<b>Total fixed asset investments</b>	<b>2,777,078</b>	<b>2,530,516</b>	<b>2,777,080</b>	<b>2,530,518</b>
<b>Historical Cost at 31 December 2015</b>	<b>2,490,757</b>	<b>2,499,691</b>	<b>2,490,757</b>	<b>2,499,691</b>

#### Analysis of Quoted Investments at 31 December 2015 between funds:

Fixed Interest UK	249,625	133,308	249,625	133,308
Fixed Interest Overseas	58,764	58,200	58,764	58,200
Equities UK	825,358	931,173	825,358	931,173
Equities US	510,699	426,694	510,699	426,694
Equities Europe	108,019	177,098	108,019	177,098
Equities Other	154,171	72,175	154,171	72,175
Property Funds	101,176	100,168	101,176	100,168
Hedge/Absolute Return Rends	119,267	78,254	119,267	78,254
	2,127,078	1,977,069	2,127,078	1,977,069

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	117,378	129,952
700 Vulcan Global	91,164	111,230
85,000 Charities Property Fund	90,305	101,176
7,500 Ishares S&P 500 Ucits	90,495	136,650
2,000 Findlay Park Lip American fund	88,760	142,454
6,000 Priviledge Sands US Growth	83,275	120,365

## REDWINGS HORSE SANCTUARY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

#### 9 - Quoted Investments

	Group		Charity	
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	£	£	£	£
Loan to Redwings Enterprises Limited (see note below)	-	-	150,000	150,000
Interest in freehold land acquired from legacy	5,000	5,000	5,000	5,000
Land donated by Helen Kerr Trust	270,000	-	270,000	-
	275,000	5,000	425,000	155,000

The only financial instrument measured at amortised cost comprises the loan made to Redwings Enterprises Limited. This is unsecured and is due to repayment 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.

#### 10 - Stock

Stock of feed and consumables	84,310	76,583	84,310	76,583
Stock of veterinary supplies	57,652	64,893	57,652	64,893
Merchandising goods for resale	99,549	180,826	-	-
	241,511	322,302	141,962	141,476

Stock recognised in cost of generating funds during the year as an expense was £439,098 (2015: £461,722).

No impairment loss (2015: £3,326) was recognised in merchandising costs in the consolidated SOFA during the year due to revaluation of likely sale value of stock.

#### 11 - Debtors

Gift Aid & recoverable tax	61,743	135,137	61,743	135,137
Legacies receivable	5,663,304	4,243,755	5,663,304	4,243,755
Income accrued	135,014	90,535	135,014	90,535
Prepayments and other debtors	231,269	246,682	225,470	242,779
Amount owed by subsidiary	-	-	-	10,094
Trade debtors	11,488	24,573	11,500	24,573
	6,102,818	4,739,683	6,097,031	4,746,873

#### 12 - Creditors: amounts falling due within one year

Creditors	467,371	400,366	455,162	382,367
Amount owed to subsidiary	-	-	11,071	-
Amount re merged Charity	-	-	100	100
Other creditors	37,295	34,712	37,906	35,334
VAT and social security	102,302	86,508	102,302	86,508
Accruals	58,600	34,387	55,797	32,387
	665,568	555,973	662,339	536,696

## REDWINGS HORSE SANCTUARY

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

13 - Funds	Fund Movements				Represented by		
	Opening Balance £	Incoming resources £	Expended resources £	Transferred resources £	Closing Balance £	Fixed assets £	Current assets £
<b>Endowment</b>							
WJ Turner Settlement	20,372	-	-	-	20,372	-	20,372
<b>Restricted</b>							
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	-
Mountains improvements to site	-	13,000	(13,033)	33	-	-	-
Mountains water tanks	-	6,000	(5,967)	(33)	-	-	-
Field shelters	-	270	(270)	-	-	-	-
Scope	-	2,000	(2,000)	-	-	-	-
Ada Cole Care	-	388	(388)	-	-	-	-
Oxhill rehoming facility	-	20,000	(20,000)	-	-	-	-
Aylsham paddocks	-	10,000	(10,000)	-	-	-	-
Pen Sections Oxhill	-	2,160	(2,160)	-	-	-	-
Fencing at Ada Cole	63,000	81,523	(76,433)	-	68,090	-	68,090
Red Shed Development	-	2,000	(2,000)	-	-	-	-
Boo	-	100	(100)	-	-	-	-
Bodmin Moor Intervention	-	12,842	(12,842)	-	-	-	-
Donkeys	1,685	122	(1,807)	-	-	-	-
H K D Animal Welfare Trust	-	298,045	-	-	298,045	270,000	28,045
<b>Total restricted</b>	<b>671,735</b>	<b>448,450</b>	<b>(147,000)</b>	<b>-</b>	<b>973,186</b>	<b>877,050</b>	<b>96,136</b>
<b>Total Endowment &amp; Restricted</b>	<b>692,107</b>	<b>448,450</b>	<b>(147,000)</b>	<b>-</b>	<b>993,558</b>	<b>877,050</b>	<b>116,508</b>
<b>Designated</b>							
Planned capital expenditure	3,372,074	-	-	174,919	3,546,993	-	3,546,993
Revaluation reserve	30,827	255,495	-	-	286,321	286,321	-
General reserve	27,244,495	12,458,955	(10,043,505)	(174,919)	29,485,026	17,426,287	12,058,738
<b>Total Unrestricted</b>	<b>30,647,396</b>	<b>12,714,450</b>	<b>(10,043,505)</b>	<b>-</b>	<b>33,318,340</b>	<b>17,712,608</b>	<b>15,605,731</b>
<b>Group Total</b>	<b>31,339,503</b>	<b>13,162,900</b>	<b>(10,190,505)</b>	<b>-</b>	<b>34,311,898</b>	<b>18,589,659</b>	<b>15,722,239</b>

#### 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, now associated with land at Hapton.
New farm & 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	In memory funds for use at Ada Cole Memorial Stables.
Mountains improvements to site	For improvement of Redwings' Mountains Sanctuary.
Mountains water tanks	For water facilities at Redwings' Mountains Sanctuary.
Field shelters	For purchase of field shelters.
Scope	For purchase of and repairs to scope.
Ada Cole Care	Equine care for Ada Cole.
Oxhill Rehoming facility	For Oxhill rehoming project.
Aylsham paddocks	For paddocks at Redwings' Aylsham Sanctuary.
Pen Sections Oxhill	Purchase of pen sections for Redwings' Oxhill Sanctuary.
Fencing at Ada Cole	Fencing at Redwings' Ada Cole Sanctuary.
Red Shed development	For Red Shed development project.
Boo	For care of Boo, following news coverage.
Bodmin Moor intervention	For Bodmin Moor project.
Donkeys	To enable care for Donkeys in the UK.
HKD Animal Welfare Trust	For use in Scotland only.
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 2016

#### 14 – Financial Commitment

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

	31 Dec 2016	Group and Charity 31 Dec 2015
The total remaining commitments under these contracts at 31 December 2016 were:	£	£
Payable within one year	26,500	26,500
Payable two to five years	13,250	39,750

#### 15 – Related party transactions

- (a) No remuneration was paid to any member of the board during the period.
- (b) A trustee was reimbursed £441 (2015: one trustee £288) in respect of travel expenses to attend Board of Trustee meetings.
- (c) Fees totalling £11,787 (2015: £15,956) 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 £274 (2015: £274) 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.
- (e) An amount of £20,442 (2015: £8,670) has been paid to DWP Flooring of whom Mrs T Whistiecraft (Head of Resources at Redwings) is related. These costs relate to flooring for various projects and insurance claims.

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.

In 2016 the following transaction took place between the charity and its wholly owned subsidiary Redwings Enterprises Limited:

Management charge of £216,108 (2015: £236,873)

Rental charge of £3,000 (2015: £3,000)

Interest charge of £3,635 (2015: £3,750)

The transfer under gift aid of the trading losses of Redwings Enterprises Limited to the charity of £nil (2015: £2,969)

At the 31 December 2016 £11,071 was due from the charity to Redwings Enterprises Limited (2015: £10,094 due from Redwings Enterprises Limited to the charity). In addition to this the charity had provided a loan of £150,000 to Redwings Enterprises Limited. The loan is due for repayment in one year from the balance sheet date. Interest is charged on the loan at 2% above

#### 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.