



mare & foal
SANCTUARY
Kindness, Care and Knowledge

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

**Trustees' Report and Financial Statements
For the Year Ended 31 October 2020**

Charity Number: 1141831
Company Number: 07584914

The Mare and Foal Sanctuary

Report and Financial Statements

Year Ended 31 October 2020

Contents	Page
Reference and Administrative Details	1
Trustees' Report	2
Independent Auditor's Report	16
Statement of Financial Activities	19
Balance Sheet	20
Statement of Cash Flows	21
Notes to the Financial Statements	22

The Mare and Foal Sanctuary

Reference and Administrative Details

Year Ended 31 October 2020

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

Trustees

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

Trustees:

Nigel Brown	
James Fitzpatrick	
Elizabeth Gaffer	Chair
Donna Hallett	
Robert Lovell	
Maureen Rolls	
Susan Cockayne	(Appointed 1 November 2020)

Principal and Registered Office:

Honeysuckle Farm
Hacombe with Combe
Newton Abbot
Devon
TQ12 4SA

Registered Charity No. 1141831

Registered Company No. 07584914

Bankers: NatWest Bank plc
48 Courtenay Street
Newton Abbot
TQ12 2EE

Auditors: PKF Francis Clark
Sigma House
Oak View Close
Edginswell Park
Torquay
TQ2 7FF

Solicitors Boyce Hatton
Torquay
TQ1 1DE

WBW
Newton Abbot
TQ12 2QP

Investment manager: Rathbone Brothers Plc
Southerhay Gardens
Exeter
EX1 1UG

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2020

Welcome from our Chair and Chief Executive

The Mare and Foal Sanctuary has come through 2019-20 in a more stable position than we thought possible at times during a challenging year when our charitable activities and income generation were severely affected by the coronavirus pandemic.

We had a strong start to our 2019-20 year. We brought in 15 young cobs as part of a complex multi-agency welfare intervention operation involving a smaller sanctuary which was failing to meet minimum welfare standards. We are increasingly seeing some of the smaller equine welfare sanctuaries struggling with the effects of reductions in income or staff, and this was our second group intake from a failing small sanctuary in recent months. We have a policy of taking in the smallest and weakest equines, the ones that are often the most difficult type to rehome, and we know it will take us more time to rehabilitate, train and eventually rehome these equines. However, this meant that our sanctuaries were above capacity when the coronavirus pandemic first restrictions were introduced.

Being an organisation that responds well in crisis, we quickly rearranged the way that our sanctuary care teams worked, splitting care teams into much smaller groups of staff, ensuring staff could carry out their duties at a distance from other small groups of staff. All staff who could work from home did so immediately. We did our utmost to keep our sanctuary care staff safe and well, knowing that if even just one of our smaller teams had to isolate, then it would be staff from our fundraising, HR, education and other central support teams who would have to take on horse care activities. In line with the guidance, we stopped rehoming activities and moved all our loan home checks to be virtual checks, creating a list of priority visits to equines whose loan carers had concerns for when restrictions eased.

We also experienced an immediate drop in income to virtually nothing. Concerned about cashflow, we took advantage of the Government's Coronavirus Job Retention Scheme and furloughed staff initially from our retail teams and half our staff from central support teams. As time went on, whilst we maintained staffing in sanctuary care and welfare outreach, we furloughed more staff until there was only the Senior Management Team and a small core of staff from fundraising and communications, supporter services and the central support teams at work.

We were able to continue to offer Equine Assisted Learning with our recued equines to a smaller number of participants and for many these were the only activity they were able to do outside of the home during the pandemic restrictions.

We created costed scenarios for the point at which difficult decisions would need to be made to significantly reduce the charity's activities or even to wind down. We did have to make five staff posts redundant, less than 5% of our overall staff numbers. We took the difficult decision to sell our South Manor site, one of our smaller sanctuaries for equines with high support needs, relocating these equines and staff to our Coombe Park site. The income from this sale, along with our coronavirus special fundraising appeal and furlough scheme grants brought in sufficient income, to enable us to make it to the end of the year without having to make any sanctuary care or equine welfare outreach staff redundant and therefore not affect our delivery.

Instead, we reshaped our equine teams to strengthen the specialisms on the yard and to offer better career progression to our sanctuary care staff and to our welfare outreach and advice staff. With the increasing need to be there for equines in the South West, and the opportunities to enhance more peoples' lives through contact with horses and ponies, we are as determined as ever to strengthen our resources and offering going forward.

During this difficult year we're even more grateful for the dedication of our supporters and the commitment of our staff and volunteers. We hope you enjoy reading about the difference they have enabled us to make over the past year.

Liz Gaffer
Chair of Trustees

Sarah Jane Williamson
Chief Executive

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2020

1.0 Structure, Governance and Management

1.1 Legal status

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

1.2 Organisational structure

The charity is managed through the following areas:

- a) Sanctuary Care teams deliver the care, rehabilitation, retraining and rehoming of the horses and ponies in sanctuary.
- b) The Welfare Outreach and Advice team delivers direct support to carers of equines on loan from us and in private ownership. They also educate and advise the public to reduce future welfare cases and improve general equine knowledge.
- c) The Education Team delivers alternative education and training for children, young people, families and adults through equine assisted learning, therapeutic riding and outdoor learning in nature with our rescued horses and ponies. These programmes have developmental, social and therapeutic outcomes. The Education Team also works with the Sanctuary Care and Welfare Outreach and Advice teams to develop educational resources and events which improve general knowledge in equine care amongst the public and prevent future welfare cases.
- d) Income generation and communications including direct fundraising and management of our charity shops.
- e) Management and administration including volunteering, HR, ICT, accounts and maintenance of our estate and landholdings.

1.3 Policies adopted for the recruitment, induction and training of trustees

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

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

1.4 Governance and management

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

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

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

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

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

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2020

1.5 Risk management

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

1.6 Trustees indemnity

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

2.0 Objectives and Activities

The Mare and Foal Sanctuary rescues horses and ponies that have been abandoned, neglected or abused. We also ensure that horses and ponies have a sanctuary for life. Most horses and ponies are given care for life through our network of knowledgeable carers. Those horses and ponies with more complex needs are cared for in our peaceful sanctuaries.

Our charity was founded on the principles that horses and ponies, as sentient beings and close companions of humans over the centuries, have a value and a purpose. They deserve our kindness and care. Our equine centred approach to equine assisted learning enables us to create a sense of sanctuary for people within our sanctuary for horses and ponies.

2.1 The charity's objectives

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

2.2 The charity's activities

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

Objective 1: We love and value horses and ponies. As sentient beings, they deserve our kindness and care. Unfortunately, there is still a need to rescue, rehabilitate and rehome horses and ponies – and to educate people how to care for them.

Objective 2: We have lived experience of how horses have made a difference to our lives. We know how to make a difference to other people's lives through horses.

Objective 3: Caring for horses and ponies – and being with them outside in nature – is good for our health, happiness and wellbeing too.

Objective 4: We value people too. But this is not our main area of expertise, so we work in partnership with organisations who do have this expertise.

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2020

2.3 Public Benefit

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

2.4 Our values

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

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

3.0 Our Sanctuary for rescued horses

We rescue, rehabilitate and retrain horses and ponies who have experienced neglect and abuse.

3.1 The need to provide sanctuary

At our Sanctuary, we love and value horses and ponies. As sentient beings, they deserve our kindness and care. Unfortunately, there is still a need to rescue, rehabilitate and rehome horses and ponies – and to educate people about how to care for them.

Our rescue work is focused in the South West but as part of the National Equine Welfare Council we collaborate locally and nationally with the RSPCA and other equine welfare charities.

The number of horses and ponies requiring crisis intervention continued to grow in this period. We took in more groups of horses and ponies at once from difficult and complex rescue situations. These groups had higher levels of need for specialist care and longer recovery times.

We work for all horses and ponies, but we have particular experience in:

- Managing and training feral, semi-feral or unhandled horses and ponies
- Coping with horses and ponies that others cannot deal with in terms of behaviour. We give them specialist recovery care and train them so that they're suitable for loan homes in the future
- Care of mares in foal and orphaned or abandoned foals
- Creating a value for smaller, weaker, previously injured or older equines through appropriate recovery and training as companions or suitable for active life in agility, lead rein and ridden activities
- Picking up the pieces when inexperienced people have inadvertently got into problems having bought ponies thinking that they are easy to care for because they are small. This can be the case when ponies are kept by inexperienced owners privately at home as opposed to at a managed livery yard, where excellent help and advice is usually available.

For many equines we are the end of the line. We are the last option.

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2020

3.2 The support we provide

Care for life is provided to hundreds of horses and ponies rescued by The Mare and Foal Sanctuary.

We currently have five peaceful sanctuaries in Devon and it is here that our dedicated staff provide expert and specialist care for life to around 200 of these horses and ponies whose needs mean that they cannot easily be cared for elsewhere.

Our network of knowledgeable Sanctuary at Home carers helps us care for more than 400 horses and ponies. This vital scheme enables space to be created at our sanctuaries for more horses and ponies in need, helps sustain our work to rescue other horses and ponies and enables us to connect more people together who love and value horses and ponies as much as we do.

3.3 Our impact in 2019-20

Highlights of our work to provide sanctuary to horses and ponies in this period:

- There were 19 equines requiring admission to our sanctuary for welfare intervention. This included 15 young cobs from the Whispering Willows horse sanctuary which had failed to meet their welfare needs. We saw a significant reduction in admissions due to the Coronavirus pandemic that affected the UK from March 2020 onwards. The restrictions meant that our rehoming scheme was halted for the duration of the national lockdowns - a vital scheme which creates space at our Sanctuaries for new admissions.
- Our total admissions over all years reached 1,000 in 2020 with the arrival of Teyah, one of three foals born in the Spring into the safety of our Sanctuary. Their dams had been part of a multi-agency rescue from a smaller sanctuary known as North Devon Equine Rescue which had failed to meet their welfare needs and arrived with us already in foal.
- At the end of this period, 196 horses were being cared for at our peaceful sanctuaries across Devon, and 454 were on loan to carers through our Sanctuary at Home scheme. 19 horses and ponies were still available for rehoming and 14 others reserved.
- The microchipping of all equines became compulsory from 1 October 2020, including those equines born before June 2009, which had previously been excluded from mandatory microchipping in the Horse Passport Regulations 2009. It was important for us to ensure every equine in our care and in our rehoming scheme had a microchip and updated equine passport and we were pleased to complete this in time for 654 equines.
- We carried out significant expenditure for the repair and renovation of our yard and indoor arena at our Coombe Park sanctuary, in order that we can relaunch our education and therapeutic programmes, our range of educational events and activities for horse/pony owners and can offer more educational engagement sessions for the local equestrian community. It is hoped this work will be completed in early 2021.
- We opened our new purpose-built moorland rescue facility in Yelverton. The new facility with land, stabling and offices, right on the edge of Dartmoor, allows the team to specialise in the care and rehabilitation of semi-feral moorland ponies. It has positively changed the way we care for unhandled ponies, providing them with a safe environment to express natural herd behaviour, including special crew barns so they can lie down together. We give special thanks to our generous donors including Heather May North Trust, Jean Sainsbury Animal Welfare Trust and Support Adoption for Pets for making this project possible.
- We helped the University of Bristol with a new study into Sweet Itch, a medical condition in equines caused by an allergic response to the bites of midges. The study was funded by The Horse Trust and we provided access to 20 of our Sanctuary ponies for a non-invasive immunotherapy trial to help provide data for an initial estimate of the safety and effectiveness of oral immunotherapy.

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2020

- We introduced new behavioural assessments and training to deepen the skills and experience of our Sanctuary care teams who deal with feral, semi-feral and unhandled equines as well as orphaned youngstock. 40 staff completed An Introduction to Equine Behaviour and 41 completed How Horses Learn. We have since developed two further, more targeted training modules on Using Shaping Plans and An Introduction to Clicker Training. '

3.4 Our plans for 2020-21

Highlights of our planned work to provide sanctuary to horses and ponies next year:

- Complete the relocation of our South Manor staff, ponies, and equipment to a new high support facility at Coombe Park
- Complete first survey of equine behaviour training within the Sanctuary
- Launch our Help to Home direct rehoming project pilot.

4.0 A safe sanctuary for horse owners

We give non-judgemental advice and no shame support to any horse or pony carer through our Welfare Outreach and Advice team, but we are also able to step in and give formal advice.

We know that there is not one right way of caring for equines, but we do have expert understanding of the physical, psychological and social needs of horses and ponies and can educate people in meeting these in ways that are based on current veterinary and equine science, including behavioural science.

4.1 Our impact in 2019-20

Highlights of our work to offer a safe sanctuary for horse owners in this period:

- There were 164 separate episodes of advice resulting in positive welfare outcomes. This advice was given face-to-face, by phone and by email.
- We achieved a 19% increase in traffic to our website's advice pages (www.mareandfoal.org/horse-advice). During the year, we developed a new suite of advice resources including the care of your horse during the coronavirus pandemic.
- We introduced 'tone of voice' training and de-escalation techniques to enable our staff to develop relationships with owners where other more aggressive organisations have failed.
- We established a Rescue Response Team made up of experienced staff who receive ongoing training and practice as specialists in this area, in particular for safely moving large groups of feral and semi-feral horses and ponies. This team will be able to respond across the country to assist as required and needed.

4.2 Our plans for 2020-21

Highlights of our planned work to offer a safe sanctuary for horse owners next year:

- We are in the process of launching a non-judgemental, no-shame helpline so owners across the country can call for advice. This is something we have always done but up till now not publicised the fact. We are also looking to achieve accreditation for this helpline once the pilot phase has been completed.
- Establish our welfare outreach to smaller sanctuaries by our welfare advisors to prevent issues becoming a crisis
- Identify, align and disseminate appropriate national campaign information

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2020

5.0 A safe sanctuary for children, young people, families and adults

We provide alternative education and training through Equine Assisted Learning, therapeutic riding and outdoor learning in nature with our rescued horses and ponies.

Our programmes are designed to meet the physical, psychological, social and spiritual needs of children, young people, families and adults. We do this through an inclusive, phased approach which is person-centred, developmental, experiential and outcome based.

We create a sense of sanctuary for people within our sanctuary for rescued horses and ponies.

5.1 Our equine centred approach to Equine Assisted Learning

Equine welfare is at the heart of everything we do. We primarily deliver our Equine Assisted Learning programmes with our rescued horses and ponies at our beautiful 80-acre Equestrian and Education Centre at Coombe Park in Devon. This is also one of our larger sanctuaries for horses in training for rehoming and will be our new base for our high support facility for equines who have sanctuary for life.

The 12 rescued horses and ponies which are part of our education team have been specially selected for their highly attuned, people orientated temperaments. Participants can relate to our rescued horses' stories of overcoming trauma and their recovery and resilience. Their care is managed by a senior equine specialist who monitors the horse's needs and welfare during education sessions.

5.2 Supporting transferrable life skills

Our specialist multidisciplinary team of educators deliver Equine Assisted Learning and therapeutic activities outdoors in nature with rescued horses. These activities support the development of transferrable life skills for people including:

- increased self-confidence
- positive attachment and relationships
- deeper empathy and reduced conflict
- improved emotional management skills
- improved communication skills
- increased resilience
- a clear sense of responsibility and
- a genuine sense of personal achievement and meaningful contribution.

Our relationship with rescued horses and ponies becomes increasingly reciprocal and compassionate. We understand ourselves better and express more of our unique nature as individuals.

5.3 Our impact in 2019-20

Highlights of our work to provide a safe sanctuary for children, young people, families and adults through Equine Assisted Learning in this period:

- In our pilot year (2018-19) we reached 632 participants and attendees which was a strong start. This included 125 sessions for people benefitting from equine assisted learning, experiencing nature and outdoor learning or participating in wellbeing courses. In this period however, our reach was significantly reduced to five participants over 80 sessions because of the coronavirus pandemic.

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2020

- We continued to collaborate with schools and colleges to develop and deliver bespoke courses and activities onsite where coronavirus pandemic restrictions allowed, and all whilst carrying out major renovation of facilities at Coombe Park.
- We created information brochures about our education and therapy offer – the first aimed at professionals working in schools, colleges and academies and the second aimed at commissioners and providers of services in the health and social care sector.
- We created online resources during the coronavirus pandemic to provide our regular participants with access to our equine assisted learning programme. This included the creation of 20 activities for children and young people and we achieved 491 unique page views of this content.
- We became the first equine welfare charity to join Horses in Education and Therapy International (HETI) as a Federation member in February 2019 and we continued to develop our relationships within this professional network throughout the period.
- We joined VOYC – Devon (Voluntary Organisations for Young People and Children) which is a specialist infrastructure network for voluntary and community sector groups working with children and young people that provides a range of safeguarding support and child protection training.

5.4 Our plans for 2020-21

Highlights of our planned work to provide a safe sanctuary for children, young people, families and adults through Equine Assisted Learning next year:

- We will scale up our activities and partnerships with schools, colleges and academies, as well as health and social care services.
- We will be hosting the Autumn HETI Forum (UK) in November 2020 which will be attended by international members and Executive members of the HETI Committee as its first UK online forum.
- Contribute to the evidence base for the benefits of equine facilitated interventions through research collaborations.
- Deliver equine assisted wellbeing days for frontline key workers from health and social care
- Deliver a series of nature based, outdoor learning events for families with our rescued horses and ponies

6.0 Sanctuary for life, thanks to our supporters

We rely entirely on donations and legacy gifts to carry out our work and we are indebted to the individuals, organisations and companies for helping to sustain our ability to offer sanctuary for horses and ponies.

6.1 Our work to raise awareness and income

Throughout the year, we maintained our programme of fundraising and digital communications and emphasised the impact of the donations and gifts we received through our newsletters, online content and virtual events.

Our donors and some trusts and foundations demonstrated great generosity when responding to our special appeal that explained how we had been impacted by the coronavirus pandemic - helping to raise £290,000 at a time when our income plummeted when charity shops initially closed. We are thankful to have been supported throughout the year.

We had been preparing for a series of open days at all of our Sanctuaries across Devon to allow our supporters, volunteers and local communities to discover our special places and connect with the horses and ponies in our care. However, because of the coronavirus pandemic, we had to shift our focus to online events and we hosted a series of virtual coffee mornings which were attended by a good number of our supporters.

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2020

Putting our donors and supporters at the heart of our charity is important to us. We renewed and upgraded our database software to ensure we're using the most up-to-date system to protect and manage our supporters' personal information and communication preferences.

We began a project to update our branding to reflect the breadth of our work which has expanded considerably in recent years. We teamed up with an experienced brand agency who can help us develop an inspiring brand that:

- Creates visibility and transparency around what we do
- Captures the special nature of equines and the impact they can have on humans
- Inspires our supporters
- Raises vital income
- Sets us apart from others

This branding work has been informed by a survey of which 75% of respondents were financial supporters. Our new brand will come into effect in Spring 2021 and will not disrupt any of our charitable activities. We'll keep costs to a minimum as we'll only update our communications or replace signs and uniform when we need to.

6.2 Our fundraising practices

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

Each year, we also undertake an annual survey to obtain our supporter's feedback on the frequency of communications and ensure that we are meeting their expectations. In 2020, our survey suggested 91% of our supporters felt the Sanctuary's contact throughout the year was 'about right' and 96% of responders 'definitely' or 'probably would' continue supporting us into the next year.

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

There have been **14** complaints about fundraising activities this year. We are committed to delivering the best level of service at all times to everyone who engages with our charity including beneficiaries, supporters and the community. We have a Complaints Policy and procedure in place and a designated Complaints Coordinator. In the event of a complaint, it is our promise to:

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

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2020

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

7.0 Impact of the coronavirus pandemic

This report has already mentioned some ways in which the coronavirus pandemic has impacted our operational areas.

Paramount to how we responded to this crisis was ensuring the health and wellbeing of our staff, volunteers and supporters, because without them we can't provide expert care to the horses and ponies in our care.

Some staff had to travel to work to provide daily care to our equines or to process donations. These staff worked in smaller teams and followed COVID 19-secure guidelines. Others worked from home where it was possible, and some were temporarily furloughed through the Government's job retention scheme, particularly those who run our charity shops which had to close during all the national lockdowns.

At the height of the coronavirus pandemic, 53% of staff were temporarily furloughed and the Senior Management Team met on a daily basis to discuss and adapt operations. A weekly webinar was hosted by the Chief Executive every week for staff and volunteers, both those at work and those who were furloughed, to stay in touch as the crisis unfolded.

All of our sanctuaries were at full capacity throughout this pandemic due to the multi-agency rescues we'd undertaken the year prior and not being able to rehome horses and ponies as we usually would. This resulted in us not being able to accept any new admissions and we will be unable to do so until we reduce our numbers in Sanctuary when the coronavirus pandemic restrictions are fully lifted.

We continued to welcome expressions of interest from anyone interested in rehoming and we continued to provide advice, support and routine visits to our existing and potential Sanctuary at Home carers virtually.

In the early stages and at a time where our charity shops had to be temporarily closed overnight, we experienced our income drop by as much as 90%.

We responded urgently, adjusted our fundraising plans and created a proposal to manage our cashflow which was supported by the Trustees.

We also had to reshape the charity to remain sustainable into the future. We made the difficult decision to sell our South Manor sanctuary and put our energies into our four remaining, larger sanctuaries. This reshaping also involved some central support posts being made redundant. However, this represented fewer than 5% of the overall workforce at The Mare and Foal Sanctuary.

Last, but certainly not least, our incredible team of over 130 volunteers who normally give their time so generously to the Sanctuary had to be stood down during the coronavirus pandemic. A great deal of our volunteers help support our six charity shops in Devon. We are looking forward to welcome them back next year.

8.0 Our devoted staff

We had 131 employees working at The Mare and Foal Sanctuary at the end of this period. Their dedication to the cause and the skills and experience they bring to their roles is the reason this year's report reads so positively, despite the challenges of the coronavirus pandemic.

We carry out an annual staff survey to constantly monitor and evaluate how we can support and develop our workforce. We were pleased that 96% understand our mission and goals, and 97% understand how their role contributes to the success of the charity.

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2020

Annual appraisals and professional development plans are completed for all staff and we're delighted to have accreditation from Investors in People since 2016. We also run a staff-led annual awards scheme to recognise those who demonstrate our values of kindness, care and knowledge in their daily work.

We commenced formal recruitment in September 2020 to find new professional volunteers to join the board of trustees.

9.0 A sustainable sanctuary

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

10. Our commitment to equality, diversity and inclusion

We have identified the need to develop an Equality, Diversity and Inclusion Policy and Action Plan. The trustees recognise that the Board is more effective if it includes a variety of perspectives, experiences and skills. We also recognise that often people from groups which identify with the protected characteristics of the Equalities Act 2010, as well as people from lower socio-economic backgrounds, are those who also have had less access historically to involvement with horses and ponies, outdoor learning and nature-based activities. The Mare and Foal Sanctuary is ideally located to offer opportunities for people from the Torbay and Plymouth coastal conurbations, which have higher levels of economic deprivation, to access horses, ponies and nature-based activities.

11. Our Financial Review

The charity is heavily reliant upon donations from its supporters. Donation and gifts of £2,174,465 (2019 £2,269,816) were received in the year, this pays for the day to day shelter and food for the equines in our care and other charitable expenditure. We also received £1,687,147 (2019 £2,097,409) of legacies during the year which makes a huge difference. Over recent years it has been this legacy and regular donation income that has allowed the charity to increase its capacity and diversify its use of the sites it owns. We are extremely grateful to all of our loyal supporters who share our values and goals.

Uncertainty over income relating to the pandemic led to tightened financial controls, more Finance and Investment Committee meetings, and close monitoring over both income and expenditure during the year. Our fundraising schedule was revised and non essential expenditure was delayed. It soon became apparent that our supporter loyalty was resulting in strong performance of income from both individual donors and trusts. Overall results for donations showed a fall of 4% on prior year income but a 4% increase against budgeted income. Legacy income fell by over 20% on the previous year but this was 10% above budget. We believe it to be predominantly a timing difference arising from the change in operations within solicitors practices and delays in the granting of probate. This is supported by the strong performance of legacy income in the first 5 months of 2020/21 financial year. Our charity shop trading was most strongly affected by the pandemic with shop closures for 4 months followed by slower than budgeted performance in the remainder of the financial year. This resulted in a fall in income of 24% from the previous year and 53% fall against budget. A significant proportion of this lost income was mitigated by government grants and furlough claims as well as close control of expenditure.

Total expenditure of £5,103,911 (2019 £4,582,176) was incurred during the year, we regularly review our expenditure to ensure we get the best value possible. The deficit for the year was £425,890 (2019 surplus £521,375).

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2020

Overall expenditure in the year was up on the prior year by £522k 11%. This increase predominantly relates to expenditure on Coombe Park Development of £523k and increase overall wages costs of £223k. Coombe Park Development is a large project spanning 2019/20 and 2020/21 periods, covering essential remedial work to our site. Wages costs rose in financial year because of April 2019 payraises, lower than usual levels of sickness during the pandemic, redundancy payment and increased number of staff. All other costs were closely controlled and most were lower than the previous financial year.

11.1 Key Risks and Uncertainties

Specific Key risks:

Loss of key staff – Over the past two years the sanctuary has experienced significant changes in its organisational arrangements including changes to key staff. These changes resulted in uncertainty for all staff and an increased risk of the loss of key personnel. We have invested in our recruitment and retention activity including a salary review, improved performance management processes and reviews of satisfaction through our staff survey. This has resulted in a lower turnover of staff, particularly of those at management level, ensuring the stability of the charity during the significant changes. We have also addressed staff development and engagement at all levels of the organisation, which has also contributed to staff retention.

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

Safeguarding – Inadequate application of policy, procedures, training and awareness could present a safeguarding risk to staff, volunteers, supporters and beneficiaries. We have appointed a team of trained staff to lead on safeguarding. They have ensured all staff receive adequate training and regular training updates. Awareness raising activities have been carried out throughout the sanctuary and we consider our policies and procedures to be fully embedded. We are actively involved with local networks for education and care providers and take part in additional safeguarding training opportunities.

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

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

11.2 Our Reserves Policy

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

It is the policy of the charity to maintain unrestricted funds, which are the free reserves of the charity, at a level which equates to approximately nine months budgeted expenditure (excluding retail expenditure) this being around £3,750,000. In arriving at the "free reserves" amount the Trustees take the view the designated development fund and the designated property fund are not free reserves. These funds are linked to the charity's fixed assets at the start of the year and capital programme for the year and the realisation of these funds would require disposal of property, land and other assets which could be time consuming.

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2020

The trustees believe that this will provide sufficient free reserves to cover any unforeseen circumstances that may arise and the charity has retained in excess of this figure at 31 October 2020.

The designated property fund for the group ended the year with a balance of £7,320,927. This reserve is to reflect the funds tied up in capital investments in farms and associated equipment.

The designed charity development fund has decreased to £578,450. This reflects the capital expenditure and repair and rectification work at Coombe Park planned for 2020/21.

11.3 Our Investment Policy

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

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

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

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

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

12 Trustees' Responsibilities Statement

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

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

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

The Trustees are responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Mare and Foal Sanctuary

Trustees' Report

Year Ended 31 October 2020

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

This report was approved by the Trustees on and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Elizabeth Gaffer', written in a cursive style.

Elizabeth Gaffer
Chair of Trustees

The Mare and Foal Sanctuary

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

Year Ended 31 October 2020

Opinion

We have audited the financial statements of Mare and Foal Sanctuary (the 'Charity') and its subsidiaries (the 'Group') for the year ended 31 October 2020, which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the Group and the Charity as at 31 October 2020 and of the Group's results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

The Mare and Foal Sanctuary

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

Year Ended 31 October 2020

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 11, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The Mare and Foal Sanctuary

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

Year Ended 31 October 2020

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

Use of our report

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



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

Date: 25 June 2021

The Mare and Foal Sanctuary

Statement of Financial Activities (Incorporating Income & Expenditure Account)

Year Ended 31 October 2020

	Note	Total Funds 2020 £	Total Funds 2019 £
Income			
Donations and legacies	3	4,192,803	4,367,225
Charitable activities	4	15,699	15,074
Other trading activities	5	373,615	487,220
Investment income	6	59,735	68,926
Total Income		<u>4,641,852</u>	<u>4,938,445</u>
Expenditure			
Raising funds	7	1,362,767	1,564,668
Charitable activities	8	3,741,144	3,017,508
Total Expenditure		<u>5,103,911</u>	<u>4,582,176</u>
Net (losses) / gains on investments		36,169	165,106
Net income		<u>(425,890)</u>	<u>521,375</u>
Net movement in funds		<u>(425,890)</u>	<u>521,375</u>
Reconciliation of Funds			
Total funds at 1 November 2019		<u>12,975,240</u>	<u>12,453,865</u>
Total funds at 31 October 2020		<u><u>12,549,350</u></u>	<u><u>12,975,240</u></u>

The Mare and Foal Sanctuary

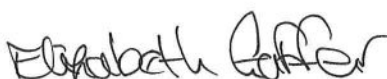
Balance Sheet

31 October 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	11	7,328,506	7,396,813
Investments	12	3,031,641	2,974,997
		<u>10,360,147</u>	<u>10,371,810</u>
Current assets			
Stock	13	29,874	30,031
Debtors	14	1,198,273	1,688,093
Cash at bank and in hand	15	1,165,065	1,087,184
		<u>2,393,212</u>	<u>2,805,308</u>
Liabilities			
Creditors - Amounts falling due within one year	16	(178,418)	(201,878)
Net current assets		<u>2,214,794</u>	<u>2,605,929</u>
Creditors - Amounts falling due within one year	17	(25,591)	-
Net assets		<u>12,549,350</u>	<u>12,975,240</u>
Funded by:			
Restricted funds	18	21,499	-
Designated funds	18	7,899,377	8,476,813
General funds	18	4,628,474	4,498,427
Total funds	18	<u>12,549,350</u>	<u>12,975,240</u>

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

This report was approved by the Trustees on 27 April 2021 and signed on their behalf, by:



Elizabeth Gaffer
Chair of Trustees

Company Registration Number: 07584914

The Mare and Foal Sanctuary

Statement of Cash Flows

31 October 2020

	Note	2020 £	2019 £
Reconciliation of net movement in funds to net cash flow from operating activities:			
Net income		(425,890)	521,375
Adjustments to cash flows from non-cash items:			
Depreciation	11	259,337	232,785
Investment management fees		20,284	19,867
Returns on investments and servicing of finance		(42,405)	(45,057)
(Profit)/loss on sale of fixed assets		-	82
Revaluation of Investments		(36,169)	(165,106)
Interest paid		802	-
Decrease/(Increase) in stock		157	(707)
Decrease in debtors	14	489,820	118,022
(Decrease) / Increase in creditors	16	(42,300)	49,713
Net cash provided by operating activities		<u>223,636</u>	<u>730,974</u>
Cash flows from investing activities			
Interest income		1,646	1,310
Proceeds from the sale of fixed assets		-	7,792
Acquisitions of tangible fixed assets		(191,030)	(671,625)
Cash used in financing activities		<u>(189,384)</u>	<u>(662,523)</u>
Cash flows from financing activities			
New HP lease		63,421	-
Capital repayment of HP lease		(18,990)	-
Interest paid		(802)	-
Repayments of borrowings		-	(362)
		<u>43,629</u>	<u>(362)</u>
Increase in cash and cash equivalents in the year		77,881	68,089
Cash and cash equivalents at the beginning of the year		1,087,184	1,019,095
Cash and cash equivalents at the end of the year		<u>1,165,065</u>	<u>1,087,184</u>

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2020

1 Accounting Policies

a) Basis of Preparation

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

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

The charity constitutes a public benefit entity as defined by FRS102. The functional and presentational currency is sterling.

b) Going Concern

As set out in the Trustees report under section 11 (Finance Review) including the reserves policy, the charity has free reserves in excess of the policy level. Based on forecast financial information and current cash reserves, in the directors' option it is appropriate to prepare the accounts on the going concern basis.

c) Fund accounting

Restricted funds comprise funds subject to specific trusts that must be applied for specific purposes.

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

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

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

d) Critical accounting judgements and key sources of estimation uncertainty

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

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

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2020

1 Accounting Policies *(continued)*

e) Income

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

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

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

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

f) Expenditure

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

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

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

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

g) Tangible fixed assets and depreciation

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

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

Freehold buildings	2%/4%/10% per annum
Motor vehicles	20% per annum
Furniture, fittings and equipment	20% per annum
IT Equipment	33% per annum
Database	20% per annum

h) Operating lease agreements

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

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2020

1 Accounting Policies *(continued)*

i) Finance lease agreements

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability.

j) Stock

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

k) Investments

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

l) Financial Instruments

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

- Short term trade and other debtors and creditors

m) Pensions

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

2 Charitable Status

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

3 Income from donations and legacies

	2020 £	2019 £
Donations and gifts	2,174,465	2,269,816
Legacies	1,687,147	2,097,409
Other Government Grants	331,191	-
Total	4,192,803	4,367,225

Donations income includes £91,499 of restricted income.

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2020

4 Income from charitable activities

	2020 £	2019 £
Adoptions	14,788	10,141
Shows and rides	911	4,933
Total	15,699	15,074

5 Income from other trading activities

	2020 £	2019 £
Shop takings	367,968	485,040
Coombe Park facility hire	119	826
Cafe and Gift Shop	310	1,354
Education	5,218	-
Total	373,615	487,220

6 Investment Income

	2020 £	2019 £
Rent	17,328	23,869
Investment income	40,761	43,747
Interest receivable	1,646	1,310
Total	59,735	68,926

7 Analysis of expenditure on raising funds

	2020 £	2019 £
Advertising	24,991	6,631
Other costs	43,458	93,224
Printing and postage	318,020	551,437
Database management	50,335	25,572
Banking charges	18,623	16,749
Investment management fees	20,284	19,867
Wages and salaries	356,141	326,774
Charity shops – overheads and cost of goods sold	499,095	411,013
Café and gift shop – overheads and cost of goods sold	-	1,466
Support costs	31,820	111,935
Total	1,362,767	1,564,668

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2020

8 Analysis of expenditure on charitable activities

	2020 £	2019 £
Animal feed and general welfare	167,544	151,359
Veterinary and Farrier fees	270,263	263,867
Passports	1,919	907
Rent	4,987	11,609
Other property costs	45,969	63,108
Repairs, maintenance and cleaning	267,199	250,336
Motor and travel (including staff fares)	27,614	24,117
Telephone	12,291	8,344
Sundry expenses	16,369	28,511
Wages and salaries	1,138,965	1,016,941
National Insurance	85,068	70,675
Pension costs	14,342	13,229
Trustees' indemnity insurance	1,635	1,436
Support costs	1,686,979	1,113,069
Total	<u>3,741,144</u>	<u>3,017,508</u>

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

9 Analysis of support costs

	Raising Funds £	Charitable Activities £	Total 2020 £	Total 2019 £
Motor, travel and subsistence	-	31,601	31,601	28,334
Bank and credit card charges	-	9,915	9,915	8,242
Establishment costs	26,858	65,347	92,205	50,795
Postage, printing, stationery and office	-	6,242	6,242	11,855
Telephone and communication	3,502	15,323	18,825	20,115
Sundry expenses	-	29,748	29,893	39,172
Light and heat	-	13,455	13,455	24,777
Repairs and renewals	1,460	559,114	560,574	90,073
Loss on disposal of fixed assets	-	-	-	82
Professional fees	-	32,080	32,080	37,155
Wages and salaries	-	598,315	598,315	598,139
National Insurance	-	41,580	41,580	41,570
Pension cost	-	7,987	7,987	9,243
Recruitment costs	-	-	-	7,780
Depreciation	-	259,337	259,337	232,784
Auditor's remuneration	-	10,000	10,000	10,000
Other accountancy fees	-	6,935	6,935	14,888
Total	<u>31,820</u>	<u>1,686,979</u>	<u>1,718,799</u>	<u>1,225,004</u>

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2020

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

	2020 £	2019 £
Wages and salaries	2,351,809	2,156,018
Social security costs	167,241	140,964
Pension costs	31,171	30,304
Total	2,550,221	2,327,286

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

	2020 Number	2019 Number
Charity shops	23	22
Provision of sanctuary and welfare	92	89
Fundraising	16	15
Total	131	126

The number of FTE equivalent employees during the year was:

	2020 Number	2019 Number
Charity shops	19	15
Provision of sanctuary and welfare	73	76
Fundraising	13	13
Total	105	104

One employee (2019: one employee) earned more than £70,000 and less than £80,000.

The key management personnel comprises five people (2019: five). The aggregate employee benefits payable to the directors for the year was £291,848 (2019: £267,341). No remuneration was paid to trustees.

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2020

11 Tangible Fixed Assets

	Freehold Property £	Motor Vehicles £	Furniture, Fittings & Equipment £	IT Equipment £	Database £	Total £
Cost						
At 1 November 2019	8,463,019	166,412	313,843	-	52,470	8,995,744
Additions	60,574	67,260	17,252	45,944	-	191,030
At 31 October 2020	8,523,593	233,672	331,095	45,944	52,470	9,186,774
Depreciation						
At 1 November 2019	1,226,615	79,234	240,612	-	52,470	1,598,931
Charge for the period	172,068	35,981	35,973	15,315	-	259,337
At 31 October 2020	1,398,683	115,215	276,585	15,315	52,470	1,858,268
Net Book Value						
At 31 October 2020	7,124,910	118,457	54,509	30,629	-	7,328,506
At 31 October 2019	7,236,404	87,178	73,230	-	-	7,396,813

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

	2020 £	2019 £
Furniture, fittings and equipment	14,612	-
IT Equipment	30,629	-

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2020

12 Fixed Asset Investments

	Listed Securities £	Unlisted Securities £	Other investments £	Total £
Market value				
At 1 November 2019	2,825,175	149,721	101	2,974,997
Additions at cost	-	40,759	-	40,759
Additions to shares	458,804	(458,804)	-	-
Sale of shares	(382,853)	382,853	-	-
Revaluations	36,169	-	-	36,169
Charges	-	(20,284)	-	(20,284)
At 31 October 2020	2,937,295	94,245	101	3,031,641

13 Stock

	2020 £	2019 £
Animal supplies and goods for resale	29,874	30,031

14 Debtors: Due within one year

	2020 £	2019 £
Other taxation and social security	34,197	23,003
Trade debtors	332	624
Other debtors	64	11,224
Prepayments and accrued income	160,366	143,183
Legacies receivable	1,003,314	1,510,059
	1,198,273	1,688,093

15 Cash at Bank and in Hand

	2020 £	2019 £
Cash at bank and in hand	1,165,065	1,087,184

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2020

16 Creditors: Due within one year

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	18,840	-
Trade creditors	138,817	176,810
Accruals and deferred income	20,761	25,068
	<u>178,418</u>	<u>201,878</u>

17 Creditors: Due after one year

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	25,591	-
	<u>25,591</u>	<u>-</u>

18 Funds

Restricted funds	- Funds received for specific purposes including facility improvements works, environmental upgrades and to fund essential vet fees.
Property and fixed asset designated fund	- The Trustees have separately identified funds tied up in property and other tangible fixed assets, as these funds, by their nature, are not freely available for the day to day use of the charity. The transfer into this fund represents the movement in fixed assets during the year.
Charity development designated fund	- The balance of £1,080,000 at 1/11/19 represented planned capital spend and budgeted expenditure repair and rectification work at Coombe Park during 2019/20. The amount carried forward represents the capital spend of £378,450 plus £200,000 approved for completion of the work at Coombe Park.
Remaining funds (i.e. those not designated or invested in fixed assets).	- Represent the free reserves of the charity.

The Mare and Foal Sanctuary

Notes and Accounting Policies

Year Ended 31 October 2020

18 Funds (continued)

	Brought Forward £	Income £	Expenditure £	Transfers in / (out) £	Gains/ (losses) £	Carried forward £
Restricted funds						
Trust income	-	91,499	(70,000)	-	-	21,499
Designated funds						
Property and fixed asset designated fund	7,396,813	-	-	(75,886)	-	7,320,927
Charity development designated fund	1,080,000	-	(522,523)	20,973	-	578,450
	<u>8,476,813</u>	<u>-</u>	<u>(522,523)</u>	<u>(54,913)</u>	<u>-</u>	<u>7,899,377</u>
General funds						
General free reserves	4,498,427	4,550,353	(4,511,388)	54,913	36,169	4,628,474
Total unrestricted funds	<u>12,975,240</u>	<u>4,550,353</u>	<u>(5,033,911)</u>	<u>-</u>	<u>36,169</u>	<u>12,527,851</u>
Total funds	<u><u>12,975,240</u></u>	<u><u>4,641,852</u></u>	<u><u>(5,103,911)</u></u>	<u><u>-</u></u>	<u><u>36,169</u></u>	<u><u>12,549,350</u></u>

19 Operating Lease Commitments

	2020 £	2019 £
At 31 October 2020, the Charity had total future minimum lease payments as follows:		
In less than 1 year	85,575	85,575
Within 2-5 years	155,644	155,644
Over 5 years	26,000	26,000
	<u>267,219</u>	<u>267,219</u>

During the year lease payments totalling £85,575 (2019: £55,875) were recognised as an expense.

20 Related Party Transactions

During the year the charity paid travel expenses totalling £1,318 (2019: £1,877) to three (2019: four) trustees.

21 Pension

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions paid from unrestricted funds by the charity to the fund during the year totalled £30,171 (2019: £30,304).