

THE PONY CLUB

England & Wales · Charity number 1050146

Details

Status	Registered
Legal form	Charitable company
Company number	03072475
Registered	1995-10-25
Register	View on the Charity Commission register

Contact

Address	The Pony Club Lowlands Equestrian Centre Old Warwick Road Shrewley Warwick Warwicks
Phone	02476698300
Email	Governance@pcuk.org
Website	www.pcuk.org

Activities

Objects: THE CHARITY'S OBJECTS ('OBJECTS') ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING: 4.1 TO PROMOTE AND ADVANCE THE EDUCATION AND UNDERSTANDING OF THE PUBLIC AND PARTICULARLY YOUNG PEOPLE, IN ALL MATTERS RELATING TO THE HORSE, ITS ENVIRONMENT, EXERCISE AND WELL-BEING, ITS SPORTING AND RECREATIONAL USE AND ATTRIBUTES AND TO PROMOTE AND ADVANCE THE ACQUISITION AND DISTRIBUTION OF KNOWLEDGE OF ALL MATTERS CONCERNING THE HORSE (INCLUDING THE WELFARE AND BREEDING OF HORSES AND PONIES); AND 4.2 TO EDUCATE AND ASSIST YOUNG PEOPLE THROUGH THEIR LEISURE ACTIVITIES SO AS TO ASSIST IN THE DEVELOPMENT OF THEIR PHYSICAL AND MENTAL CAPACITIES TO HELP THEM TO MAXIMISE THEIR POTENTIAL AND BETTER ENABLE THEM TO GROW TO FULL MATURITY AS INDIVIDUALS AND FULL AND CONFIDENT MEMBERS OF SOCIETY - IN PARTICULAR BY THE PROVISION OF INSTRUCTION FOR YOUNG PEOPLE INTO RIDING, AND THE CARE OF HORSES, PONIES AND OTHER ANIMALS.

Activities: To encourage young people to ride and to enjoy all kinds of sport connected with ponies and riding. To give instruction in riding and in all matters relating to ponies and riding and to provide education in looking after and taking proper care of animals. To promote the highest ideals of sportsmanship, citizenship

and loyalty to create strength of character and self-discipline.

Classification

- **How:** Provides Human Resources
- **What:** Education/training, Amateur Sport, Animals
- **Who:** Children/young People

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£13,530,907	£13,406,259	£9,259,612	27
2023-12-31	£13,064,379	£12,617,275	£9,134,964	24
2022-12-31	£12,500,100	£11,988,360	£8,687,860	21
2021-12-31	£11,246,134	£10,460,758	£8,176,120	21
2020-12-31	£6,784,033	£6,683,117	£7,390,743	20

Trustees

Name	Role	Appointed
Timothy Ronald Geoffry Vestey	Chair	2021-01-01
Anna Goodley		2023-09-18
CHRISTOPHER TIMOTHY MILES TOULSON-CLARKE		2026-01-01
Diane Pegrum		2023-09-18
HELEN JACKSON		2023-01-01
Justine Elizabeth Baynes		2020-02-27
Justine Trumper		2026-01-01
Nigel John Howlett		2020-02-27
Patrick Campbell		2025-01-01

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Accounts

Company number: 03072475
Charity Number: 1050146

The Pony Club

Report and consolidated financial statements
For the year ended 31 December 2024

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Reference and administrative information

For the year ended 31 December 2024

Company number	03072475
Country of incorporation	United Kingdom
Charity number	1050146
Country of registration	England and Wales

Registered office and operational address	The Pony Club Lowlands Equestrian Centre Old Warwick Road Shrewley Warwickshire CV35 7AX
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Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:
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Mr T R G Vestey	Chairman
Mrs DE Pegrum	Vice Chairman
Ms J E Baynes	
Mrs AV Goodley	
Mr N J Howlett	Treasurer
Mrs H Jackson	
Mr A W James	
Mrs P Jewitt	(Appointed January 2024 & Resigned December 2024)
Mr Patrick Campbell	(Appointed January 2025)

Key management personnel	Mr Marcus Capel	Chief Executive
	Mrs Verity Beaton	Head of Marketing and Communications (Resigned January 2025)
	Mrs Jo Harrow	Head of Marketing and Commercial (Appointed March 2025)
	Ms Heidi Lockyer	Head of Charity
	Mrs Beryl Stringer	Head of Support Services
	Mrs Lisa Retford	Finance Manager (Resigned October 2024)
	Mrs Louise Clarke	Head of Finance (Appointed October 2024)
	Mrs Emma Holliwell	Operations Manager

Bankers	Barclays Bank Plc 105 The Parade, Leamington Spa, CV32 4AZ
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Reference and administrative information

For the year ended 31 December 2024

Solicitors	DWF LLP One Snowhill, Birmingham, B4 6GA
	Anthony Collins LLP 134 Edmund Street, Birmingham B3 2ES
Auditor	Sayer Vincent LLP Chartered Accountant and Statutory Auditor 110 Golden Lane, London, EC1Y 0TG

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Trustees' annual report

For the year ended 31 December 2024

The Trustees present their report and the audited financial statements for the year ended 31st December 2024.

Reference and administrative information set out on pages 2 and 3 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and Activities

The Pony Club Charitable Purpose is:

- To promote and advance the education and understanding of the public and particularly children and young people, in all matters relating to horsemanship and the horse.
- To encourage the development of sportsmanship, unlocking potential by building resilience, confidence, teamwork and leadership skills.
- To support and develop the volunteering network to strengthen The Pony Club community and sustain life-long engagement with equestrianism.

The charitable aims are delivered via a network of some 320 geographically spread Branches and approximately 350 Centres in Great Britain and Northern Ireland. Some 21,000 children up to the age of 25 subscribe as Pony Club Branch members, whilst approaching 10,000 subscribe as Centre members. Branches and Centres are overseen by 19 Area Representatives, volunteers who assist in the administration of Branch and Centre activities in their geographical area, troubleshoot as required, and are on hand to disseminate advice, help and best practice. They also organise a set of Area competitions each year and coordinate the calendar of events in their Area.

Each Branch is run by a volunteer committee, chaired by a District Commissioner. Branches organise training sessions known as rallies for their members, alongside a diverse range of other educational and social activities. Organisation of rallies, training activities and local competitions is generally volunteer-led, whilst specific equestrian instruction is generally delivered by paid, freelance instructors. Members who own their own horse or pony pay a subscription to join the Branch, and a fee to attend rallies and other training and competitive events. The nine equestrian Sports recognised and promoted by the Pony Club organise competitive activities, starting at local level and culminating for most sports in annual National Championships. Branches are semi-autonomous, with responsibility for their own profitability and financial well-being, and account to the parent regarding levels of participation in their ridden training and competitive activities, Test achievements, Achievement Badge awards and their financial health. The Pony Club remains a vibrant organisation at branch level and many branches provide outstanding training and social opportunities. The skills acquired by young people at Pony Club rallies, camps and training as well as in competitive situations equip members for life beyond Pony Club.

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Centre membership is available to children and young adults who do not own their own horse but hire a horse or pony from a Riding Centre linked to The Pony Club. Many who are from urban backgrounds or unable to afford to own their own horse find the Centre option very appealing. Pony Club Centre membership provides access to Pony Club insurance, training, educational and competitive events.

The Pony Club is governed by its Articles of Association and a Governance Document which defines the relationship between volunteers and an executive team of 27 based in an office in Warwickshire. Ultimate responsibility for decision making resides with the volunteer Trustees, who oversee the composition and roles of the volunteer committees responsible for Finance, IT, Governance, Sports, Training, Health, Safety and Safeguarding, Horse Welfare, Volunteering and miscellaneous other Pony Club activities. The Pony Club has a clear set of rules defining the relationship between the parent and associated Branches and Centres, and the conduct required at all levels of the organisation. In accordance with the provisions of the Memorandum and Articles of Association of The Pony Club, no remuneration is paid to the Trustees. Volunteers receive reimbursement of reasonable expenses.

The Trustees review the aims, objectives and activities of The Pony Club each year. This report looks at what The Pony Club has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits The Pony Club has brought to the people that it is set up to help. The review also helps the Trustees ensure The Pony Club's aims, objectives and activities remain focused on its stated purpose.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing The Pony Club's aims and objectives and in planning its future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Strategic Report

The Pony Club Strategic Objectives are:

- Membership
 - To demonstrate the social, sporting and leadership impact of The Pony Club
 - To contribute to British Equestrian's initiative to improve diversity within equestrian sport.
 - To develop global opportunities for members, coaches and volunteers within The Pony Club International Alliance, the Euro Pony Club and our overseas Branches and Centres
- Charity
 - To raise the profile of The Pony Club and emphasise its charitable status.
 - To be the leading provider of horsemanship education and training for children and young people in the UK.
 - To communicate The Pony Club's contribution to society in order to build visibility, trust and respect.

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For the year ended 31 December 2024

- To teach children and young people the skills they need for a horse or pony in their care to thrive.
 - To ensure responsible horse ownership and management is at the forefront of our riding activities and to embed the mental, physical and emotional requirements of the horse in all training activity.
 - To be inclusive and accessible to children and young people from all walks of life.
- Volunteers
 - To ensure that The Pony Club is the organisation of choice for people wishing to support children and young people in an equestrian setting.
 - To enhance the reputation of The Pony Club as the most trusted and rewarding volunteer organisation in equestrianism in the UK.
 - To promote the concept of One Pony Club across our whole community.
- Sustainability
 - To maintain a sustainable financial framework with appropriate infrastructure.
 - To attract and retain sufficient capable and motivated people (staff and volunteers) to meet the needs of our organisation.
 - To operate within an appropriate legal and regulatory framework.
 - To nourish The Pony Club Governance structure, providing informed, transparent decisions and clear communications.

Achievements in 2024 are assessed as follows:

Membership

	31/12/24	31/12/23
Branch Members	21,091	22,159
Centre Members	9,173	9,727
Overseas Members	<u>283</u>	<u>360</u>
Total Members	30,547	32,246

There has been a 5% decline in membership from the end of 2023. The Trustees are working hard with the executive and volunteers to look at the membership offering, value for money and potential different membership types. A direct debit system is due to be launched shortly to enable a spread of payments. With a focus on the charitable aims, the Trustees continue their endeavours to promote the relevance and enhance the accessibility and diversity of The Pony Club.

Charity

The primary aim of every Branch and Centre is to teach Members to ride and care for their horse or pony at rallies and camps.

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For the year ended 31 December 2024

The Pony Club runs a formal efficiency test scheme from E through to A. At the higher levels these tests are formally recognised coaching standards enabling test holders to enter the world of work and earn a living by teaching children to ride.

The Pony Club also awards achievement badges which recognise and reward the acquisition of knowledge relating to individual aspects of pony care, first aid, farming, the natural world and various equestrian sports, thereby helping Members learn and develop. The Pony Club monitors tests taken and badges awarded as measures of its success as a training organisation. In 2024 9,762 (2023: circa 10,000) members passed one or more efficiency tests. No test is compulsory. Online learning material continues to be developed so members can study in their own time as well as join Branch, Centre and regional learning. The Training Committee, the Health & Safety, Safeguarding and Horse Welfare Advisory Committee and the Rules and Compliance Committee continue to ensure training materials reflect the latest developments in human and horse well-being and welfare.

Members can compete as individuals or in teams in competitions against other branches or centres. The ability to deal with success and failure both individually and as a team member is central to the ethos of The Pony Club and is a fundamental life skill. Local and Regional competitions act as qualifying rounds for annual, national and/or international championships. The Pony Club Championships were staged again at Offchurch Bury near Leamington Spa, attracting some 3,000 competitors over the eight days of competition. The Pony Club competition schedule seeks to impart to members the skills required for competitive careers in the nine competitive sports supported by The Pony Club, namely Show Jumping, Eventing, Dressage, Mounted Games, Tetrathlon, Polocrosse, Polo, Pony Racing and Endurance. A new Horsemanship Committee has been formed to promote the un-mounted activities including Horse and Pony Care, the Quiz and the Art competition.

All coaches are accredited and must partake in training, an approval process and continuing professional development. The Pony Club encourages Members to aspire to become coaches and has a well-established coaching development programme. This virtuous circle benefits both The Pony Club and its Members, providing further skills and the opportunity to generate income as an instructor. Many Members graduate to careers in the equestrian sphere and the grounding they gain in The Pony Club is well respected. Hard work, team work, horsemanship, sportsmanship and high standards of riding and teaching set Pony Club members apart. Current and past members are professional riders, veterinary surgeons and nurses, horse dentists, farriers, grooms and work in diverse roles in the racing industry. The skills learned in The Pony Club are also transferable to careers outside the equestrian world.

Volunteers

The Pony Club remains hugely indebted to the unpaid officials who run the affairs of its Branches and to the many thousands of volunteers who assist in activities staged by branches. Volunteers are also the mainstay of the Pony Club Championships. The Pony Club recognises volunteers who serve the Pony Club for 20 years or more through its Cubitt Award Programme and exceptional service is recognised through the recently introduced Cherry Awards, named in memory of past Chairman Cherry Mitchell. It also seeks to encourage young people to volunteer in the equestrian sector and

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For the year ended 31 December 2024

to facilitate the attainment of Duke of Edinburgh Awards through Pony Club participation. To this end, a growing number of members participate in YELA (Young Equestrian Leader Award) 810 (2023: 685).

The spectrum of Pony Club members, parents, coaches, centre proprietors and volunteers is multi-generational and family based, often engaging several generations of the same family in one place or at one event. The culture of volunteering remains extraordinarily strong and the sense of belonging to and ownership of The Pony Club pervades all parts of this spectrum.

The understanding of defined strategic objectives by staff and volunteers alike, coupled with the effective deployment of staff to support volunteers and volunteering is enhancing the sense of working towards a common cause, whether as a volunteer or as a paid member of staff.

Sustainability

The Pony Club again sustained a strong financial performance during 2024, with central reserves now at a level which will provide an adequate financial buffer should disease outbreak or pandemic disrupt our activities again, thereby imparting confidence to staff and volunteers alike.

Pelham, the Pony Club's membership database, is now linked to online entry systems which are used by almost all Branches and competitive activities. For the first time entry and participation data is captured automatically from the vast majority of Pony Club events, which will prove to be a useful analytical tool in years to come.

Beneficiaries of our Services

The main beneficiaries of The Pony Club are the Members who continue to develop as riders and learn about the care and welfare of horses and ponies. The Pony Club continues to be a trusted and relevant organisation focused on supporting children and young people in the equestrian world.

Developing rounded, well-educated Members also benefits the wider equestrian sector by providing knowledgeable candidates for careers in horse related spheres. It is notable that a high percentage of those who represented Great Britain in equestrian sports in the 2024 Paris Olympics were ex-Pony Club members. Nevertheless, irrespective of competitive prowess, the skills imparted by The Pony Club of teamwork, sportsmanship, horsemanship, kindness, resilience, dedication and independent thought are valuable life skills for all members. Many friendships gained through participation in Pony Club activities endure for life.

Financial Review

The consolidated financial statements including The Pony Club and its subsidiary trading company (The Pony Club Trading Ltd) for the year ended 31 December 2024 are presented. The financial statements comply with all statutory requirements and the requirements of The Pony Club's Memorandum and Articles of Association.

The Pony Club recorded a surplus for the year of £125k (2023: £447k). Income from subscriptions increased marginally to £2,686k (2023: £2,564k), training increased to £6,177k (2023: £6,052k) and income from competitions increased to £3,015k (2023: £2,935k). Total income increased to £13,531k (2023: £13,064k). Expenditure on training rose to £9,094k (2023: £8,554k) and on competitions to £3,708k (2023: £3,559k). Total expenditure increased to £13,406k (2023: £12,617k). Careful cost control means that an acceptable surplus for the year has again been achieved, enabling us to further supplement central reserves.

Our database management system, Pelham, has been live since late 2020. Amortisation of £119k was recognised during 2024. The database management system remains as an intangible asset with a capitalised value of £Nil (2023: £120k).

A large proportion of The Pony Club's net assets are held by Branches and are used by them for the benefit of Members. Branch funds have been treated as designated funds in the Balance Sheet. All assets are available to fulfil the obligations of The Pony Club in the future. Movements in tangible fixed assets are detailed in note 14.

Principal risks and uncertainties

The Trustees consider the following to be the principal risks and uncertainties facing The Pony Club and have taken the following steps to address them:

Contagious Viruses and Diseases

Disease or pandemic within the human or equine population, particularly if accompanied by government restrictions on human or equine interaction, could impact in a materially adverse manner on membership activities. Cost control is paramount should such an event occur again.

Loss of Membership

The Trustees and the Senior Leadership team continue to pursue a strategy to attract new and to retain existing members. Nevertheless, a significant loss of members would translate into a reduction in income and would require the implementation of cost cutting measures in order to sustain the continued operation of The Pony Club.

Loss of volunteers and associated knowledge, experience and skills

The Pony Club is heavily reliant on volunteers. It recognises and supports its volunteers both at local, regional and national level. However, committing time to Pony Club volunteering becomes

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Trustees' annual report

For the year ended 31 December 2024

harder for many each year. The use of technology to assist the staging of events is increasingly in evidence, which serves to alleviate some of the demands historically made of volunteers.

Adverse publicity and reputational damage

There is a risk that the activities of employees, volunteers, members and members' families could bring the organisation adverse publicity. This risk is minimised by training for volunteers, staff and members and by promoting readily accessible codes of conduct. Potentially damaging behaviour is dealt with promptly with support from senior volunteers and employees where necessary.

Reliance on Information Technology

The reliance on information technology presents an inevitable risk to The Pony Club. Investment in the new membership database, maintaining cyber security and complying with GDPR regulations continued throughout 2024 and will be an on-going feature of and cost to the business in future years.

Financial

The Pony Club is exposed to financial risks as a result of its day to day activities and could potentially face financial losses from events, legal action or loss of members. To manage these risks The Pony Club holds insurance policies and monitors its reserves carefully. The Pony Club Trustees have continued to strengthen central reserves in 2024 to facilitate robust financial health and to cope with as many foreseeable and un-foreseeable risks, costs or losses as possible.

Reserves Policy and going concern

At 31 December 2024, the unrestricted funds of the Charity totalled £9,075k (2023: £9,068k). Of this sum £6,852k (2023: £6,965k) represents funds held by Branches and Areas leaving £2,219k held in central reserves (2023: £2,097k) and £4k (2023: £4k) held by The Pony Club Trading Limited.

The Pony Club Office needs to fund working capital and in order to be able to address unforeseen risks and circumstances the Trustees believe that the unrestricted reserves retained centrally should equate to approximately twelve month's expenditure. Office expenditure during the year amounted to £2,042k, so total central reserves were equivalent to 13 months expenditure (2023: 13.9 months).

The Trustees conclude that it is appropriate to treat The Pony Club as a going concern.

Structure, governance and management

The Pony Club is a charitable company limited by guarantee, incorporated in England and Wales on 26 June 1995 and registered as a charity on 1 January 1997. The company is established under a Memorandum of Association which defines the objects and powers of the charitable company and is governed under its Articles of Association.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

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For the year ended 31 December 2024

The Pony Club derives its income from member subscriptions, sponsorship and entry fees from events. It does not engage in any material fundraising activities either directly or through third parties.

The Pony Club Trading Limited was incorporated in England and Wales on 16 December 1996, as a wholly owned subsidiary of The Pony Club. The results of that company are consolidated within these financial statements.

Governance

The Board of Trustees is the ultimate authority of The Pony Club. Reporting to the Board are the Management Committee and the Chief Executive.

The Management Committee is responsible for the full range of equestrian activities, including Branch and Centre Membership, tack, dress, tests and competitions. The Trustees delegate their functions relating to equestrian activities of The Pony Club to committees. These committees are Training, Health & Safety, Safeguarding and Horse Welfare, Centre Membership, Eventing, Show Jumping, Dressage, Mounted Games, Tetrathlon, Polo, Polocrosse, Endurance and Pony Racing. Each Committee generally appoints two Area Representatives to be committee members.

The Chief Executive is an employee of The Pony Club, responsible for administering the activities of The Pony Club and the Office within the policies and procedures established by the Board of Trustees and the Management Committee, and in accordance with statutory requirements and the approved budget.

Third Party Indemnity Insurance is in place in respect of the Trustees (as directors of the company).

Appointment of Trustees

Trustees of the charity are also company directors as a matter of company law.

In accordance with the Articles of Association of The Pony Club, the Board of Trustees is responsible for the appointment of Trustees. Any Trustee appointed by the Board will hold office until the next AGM or EGM, at which the Members of The Pony Club determine whether to re-appoint them as Trustees for a three-year term. Two Trustees are appointed by the Area Representatives. The Board of Trustees also nominates the Treasurer of The Pony Club and a Trustee to represent Centre members. Trustees are eligible for reappointment, subject to a maximum term of nine years.

When there are Trustee vacancies, these are advertised and applications are invited. The Trustees then review the applications and appoint new Trustees in line with the Articles of Association.

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Trustees' annual report

For the year ended 31 December 2024

Trustee Induction and training

New Trustees attend a training day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the strategic plan, and the recent financial performance of the charity. During the induction day they meet key employees.

Related parties and relationships with other organisations

The Pony Club has a wholly owned subsidiary undertaking, The Pony Club Trading Limited.

Remuneration policy for key management personnel

Remuneration of key management personnel is set by the Board of Trustees.

Statement of Responsibilities of the Trustees

The Trustees (who are also directors of The Pony Club for the purposes of company law) are responsible for preparing the Trustees' Annual 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 or group 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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For the year ended 31 December 2024

- There is no relevant audit information of which the charitable company's auditor is unaware.
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31st December 2024 was 39 (2023: 38). The Trustees are Members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report which includes the strategic report was approved by the Trustees on 19 August 2025 and signed on their behalf by

T R G Vestey
Chairman

Independent auditor's report

to the Members of

The Pony Club

Opinion

We have audited the financial statements of The Pony Club (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2024 and of the group'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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Pony Club's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

to the Members of

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Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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.

Opinions 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 trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Independent auditor's report

to the Members of

The Pony Club

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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, 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 parent charitable company'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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

Independent auditor's report

to the Members of

The Pony Club

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditor's report

to the Members of

The Pony Club

Use of our report

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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fleur Holden (Senior statutory auditor)

28 August 2025

for and on behalf of Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Pony Club

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2024

		2024			2023		
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Income from:							
Donations and legacies	2	706,458	119,413	825,871	759,979	23,100	783,079
Charitable activities							
Subscriptions	3	2,685,788	–	2,685,788	2,563,521	–	2,563,521
Training	3	6,176,860	–	6,176,860	6,052,232	–	6,052,232
Competitions	3	3,015,245	–	3,015,245	2,935,263	–	2,935,263
Other trading activities	4	140,064	–	140,064	142,569	–	142,569
Investments	5	164,169	–	164,169	94,473	–	94,473
Other	6	522,910	–	522,910	493,242	–	493,242
Total income		13,411,494	119,413	13,530,907	13,041,279	23,100	13,064,379
Expenditure on:							
Raising funds	7a	603,440	–	603,440	504,071	–	504,071
Charitable activities							
Training	7a	9,018,066	76,279	9,094,345	8,543,643	10,587	8,554,230
Competitions	7a	3,708,474	–	3,708,474	3,558,974	–	3,558,974
Total expenditure		13,329,980	76,279	13,406,259	12,606,688	10,587	12,617,275
Net income / (expenditure) for the year	8	81,514	43,134	124,648	434,590	12,513	447,104
Transfers between funds		(74,977)	74,977	–	(31,000)	31,000	–
Net movement in funds		6,537	118,111	124,648	403,590	43,513	447,104
Reconciliation of funds:							
Total funds brought forward		9,068,954	66,010	9,134,964	8,665,363	22,497	8,687,860
Total funds carried forward		9,075,491	184,121	9,259,612	9,068,954	66,010	9,134,964

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 24a to the financial statements.

The Pony Club

Balance sheets

Company no. 03072475

As at 31 December 2024

	Note	The group		The charity	
		2024 £	2023 £	2024 £	2023 £
Fixed assets:					
Intangible assets	13	27,198	157,213	27,198	157,213
Tangible assets	14	1,390,773	1,316,788	1,390,773	1,316,788
Investment in subsidiary undertaking	15	–	–	2	2
		1,417,971	1,474,001	1,417,973	1,474,003
Current assets:					
Debtors	17	815,441	466,813	809,044	479,733
Short term deposits	18	2,672,178	2,078,992	2,672,178	2,078,992
Cash at bank and in hand	19	5,601,314	6,359,252	5,553,252	6,296,423
		9,088,933	8,905,057	9,034,474	8,855,148
Current liabilities:					
Creditors: amounts falling due within one year	20	1,244,292	1,240,095	1,196,674	1,198,026
		7,844,641	7,664,962	7,837,800	7,657,122
Net current assets					
Non-current liabilities:					
Creditors: amounts falling due after one year	21	3,000	3,999	–	–
		9,259,612	9,134,964	9,255,773	9,131,125
Total net assets					
Funds:					
Restricted income funds	24a	184,121	66,010	184,121	66,010
Unrestricted income funds:					
Designated funds	24a	6,851,869	6,965,221	6,851,869	6,965,221
Non-charitable trading funds	24a	3,839	3,839	–	–
General funds	24a	2,219,783	2,099,894	2,219,783	2,099,894
Total unrestricted funds		9,075,491	9,068,954	9,071,652	9,065,115
Total funds		9,259,612	9,134,964	9,255,773	9,131,125

Approved by the trustees on 19 August 2025 and signed on their behalf by

T R G Vestey
Chairman

The Pony Club

Consolidated statement of cash flows

For the year ended 31 December 2024

	2024 £	£	2023 £	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	124,648		447,104	
Depreciation charges	254,374		185,867	
Loss on disposal of fixed assets	13,489		–	
Amortisation	131,058		85,794	
Interest on short term deposits	(164,169)		(94,473)	
Decrease/(increase) in debtors	(348,627)		(26,349)	
Increase in creditors	3,197		114,505	
Net cash provided by operating activities		13,970		712,448
Cash flows from investing activities:				
Interest on short term deposits	164,169		94,473	
Purchase of fixed assets	(331,631)		(267,770)	
Purchase of intangible assets	(11,260)		(24,000)	
Net cash used in investing activities		(178,722)		(197,297)
Change in cash and cash equivalents in the year		(164,752)		515,151
Cash and cash equivalents at the beginning of the year		8,438,244		7,923,093
Cash and cash equivalents at the end of the year		8,273,492		8,438,244

Analysis of cash and cash equivalents

	At 1 Jan 24	Cashflows	Other changes £	At 31 December 2024 £
Short term deposits	2,078,992	593,186	–	2,672,178
Cash at bank and in hand	6,359,252	(757,938)	–	5,601,314
Total cash and cash equivalents	8,438,244	(164,752)	–	8,273,492

1 Accounting policies

a) Statutory information

The Pony Club is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Lowlands Equestrian Centre, Shrewley, Warwickshire CV35 7AX.

b) Basis of preparation

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 (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary The Pony Club Trading Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below. The accounts are prepared as full values however are presented to the nearest £1. This may cause small discrepancies in the financial statements.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Sufficient reserves are held centrally and across the organisation and the trustees have reviewed a rolling 24 months cash flow forecast in order to make this judgement which show no significant risk to the going concern position.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been left to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Accounting for Branches and Areas

Accounting for Branches and Areas is done on a 'cash accounting basis' with any single debtor or creditor in excess of £5k being accounted for. All purchases and disposals of fixed assets are recorded and a central fixed asset register is maintained.

Notes to the financial statements

For the year ended 31 December 2024

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of training, competition and supporting activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

j) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on revenue.

●	Raising funds	10%
●	Training	60%
●	Competitions	30%

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of revenue for each activity.

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Intangible assets

Items are capitalised where intangible assets generated exceed the value of £1,000. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Intangible assets will be amortised over a straight line basis over 5 years.

1 Accounting policies (continued)

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

●	Freehold land	not depreciated
●	Freehold buildings	over 50 years
●	Trailers and course equipment	over 4 years
●	Computer equipment	over 2 years

n) Investments in subsidiaries

Investments in subsidiaries are at cost.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

t) Defined pension contribution scheme

Pension contributions are charged to income as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.

Notes to the financial statements

For the year ended 31 December 2024

2 Income from donations and legacies

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Donations income	50,953	–	50,953	67,840	–	67,840
BEF grant income	–	67,883	67,883	–	5,950	5,950
Other grant income	19,100	45,313	64,413	–	17,150	17,150
Branch fundraising income	636,405	6,217	642,622	692,139	–	692,139
	706,458	119,413	825,871	759,979	23,100	783,079

3 Income from charitable activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Branch subscriptions	1,785,435	–	1,785,435	1,705,734	–	1,705,734
Branch gift aid	363,118	–	363,118	350,461	–	350,461
Centre subscriptions	433,538	–	433,538	388,242	–	388,242
Centre gift aid	67,289	–	67,289	72,137	–	72,137
Centre affiliation fees	29,405	–	29,405	34,541	–	34,541
Overseas Branch affiliation fees	6,394	–	6,394	10,485	–	10,485
Interest on gift aid	609	–	609	1,920	–	1,920
Sub-total for Subscriptions	2,685,788	–	2,685,788	2,563,521	–	2,563,521
Central training income	95,702	–	95,702	77,460	–	77,460
Branches training income	5,945,759	–	5,945,759	5,786,824	–	5,786,824
Areas training income	135,399	–	135,399	187,948	–	187,948
Sub-total for Training	6,176,860	–	6,176,860	6,052,232	–	6,052,232
Central competition income	576,320	–	576,320	442,584	–	442,584
Branches competition income	2,085,455	–	2,085,455	2,150,285	–	2,150,285
Areas competition income	353,470	–	353,470	342,394	–	342,394
Sub-total for Competitions	3,015,245	–	3,015,245	2,935,263	–	2,935,263
Total income from charitable	11,877,893	–	11,877,893	11,551,016	–	11,551,016

4 Income from other trading activities

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Sponsorship, sale of merchandise and commission income	140,064	–	140,064	142,569	–	142,569
	140,064	–	140,064	142,569	–	142,569

Notes to the financial statements

For the year ended 31 December 2024

5 Income from investments

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Central bank interest received	123,463	–	123,463	72,591	–	72,591
Branches bank interest received	40,706	–	40,706	21,882	–	21,882
	164,169	–	164,169	94,473	–	94,473

6 Other income

	Unrestricted £	Restricted £	2024 Total £	Unrestricted £	Restricted £	2023 Total £
Central other income received	6,456	–	6,456	32,193	–	32,193
Branches other income received	456,905	–	456,905	423,642	–	423,642
Areas other income received	59,549	–	59,549	37,408	–	37,408
	522,910	–	522,910	493,243	–	493,243

Other Income does not include any Trading activity and is made up largely of income received for trips and other ancillary events organised by the Branch for the benefit of their members.

The Pony Club

Notes to the financial statements

For the year ended 31 December 2024

7a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities		Governance costs £	Support costs £	2024 Total £	2023 Total £
		Training £	Competitions £				
Costs of camps, rallies and other training events	-	6,558,123	-	-	-	6,558,123	6,346,674
Costs of competitions	-	-	2,408,094	-	-	2,408,094	2,398,908
Centre membership	-	114,015	-	-	-	114,015	81,830
Branch costs	157,077	942,464	471,232	-	-	1,570,773	1,523,874
Public liability insurance	-	223,368	95,729	-	-	319,097	307,876
Fundraising and publicity	242,141	-	-	-	-	242,141	191,034
Staff payroll, pension, ers NI,	-	31,041	120,752	94,007	897,344	1,143,144	965,493
Life and health and temp staff	-	-	-	-	8,991	8,991	8,724
Irrecoverable VAT	-	-	-	-	170,197	170,197	119,008
Amortisation, depreciation and impairment	-	-	-	-	385,432	385,432	271,285
Premises costs	-	-	-	-	80,559	80,559	70,530
Office costs	-	-	-	-	51,869	51,869	41,868
Other expenses	-	-	-	-	168,558	168,558	114,681
Legal and professional	-	-	-	185,266	-	185,266	175,489
	399,218	7,869,011	3,095,807	279,273	1,762,950	13,406,259	12,617,275
Governance costs	27,927	167,564	83,782	(279,273)	-	-	-
Support costs	176,295	1,057,770	528,885	-	(1,762,950)	-	-
Total expenditure 2024	603,440	9,094,345	3,708,474	-	-	13,406,259	12,617,275

The Pony Club

Notes to the financial statements

For the year ended 31 December 2024

7b Analysis of expenditure (prior year)

	Charitable activities					
	Cost of raising funds £	Training £	Competitions £	Governance costs £	Support costs £	2023 Total £
Costs of camps, rallies and other training events	–	6,346,674	–	–	–	6,346,674
Costs of competitions	–	–	2,398,908	–	–	2,398,908
Centre membership	–	81,830	–	–	–	81,830
Branch costs	152,387	914,324	457,162	–	–	1,523,874
Public liability insurance	–	212,128	95,748	–	–	307,876
Fundraising and publicity	191,034	–	–	–	–	191,034
Staff payroll, pension, ers NI,	–	35,059	124,086	81,462	724,886	965,493
Life and health and temp staff	–	317	1,121	736	6,550	8,724
Irrecoverable VAT	–	–	–	–	119,008	119,008
Amortisation, depreciation and impairment	–	–	–	–	271,285	271,285
Premises costs	–	–	–	–	70,530	70,530
Office costs	–	–	–	–	41,868	41,868
Other expenses	–	–	–	–	114,681	114,681
Legal and professional	–	–	–	175,489	–	175,489
	<u>343,421</u>	<u>7,590,333</u>	<u>3,077,025</u>	<u>257,687</u>	<u>1,348,809</u>	<u>12,617,275</u>
Governance costs	25,769	154,612	77,306	(257,687)	–	–
Support costs	134,881	809,285	404,643	–	(1,348,809)	–
Total expenditure 2023	<u>504,071</u>	<u>8,554,230</u>	<u>3,558,974</u>	<u>–</u>	<u>–</u>	<u>12,617,275</u>

Notes to the financial statements

For the year ended 31 December 2024

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2024 £	2023 £
Depreciation	254,374	185,867
Loss on Disposal of Fixed Assets	13,489	–
Amortisation	131,058	85,794
Impairment	–	–
Operating lease rentals:		
Property	35,519	42,366
Other	366	483
Auditor's remuneration (excluding VAT):		
Audit – current year	25,200	24,000
Audit – under provision in prior year	10,000	–
Other services	2,700	1,475
	<u>254,374</u>	<u>185,867</u>

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

Staff costs were as follows:

	2024 £	2023 £
Salaries and wages	945,689	827,572
Social security costs	80,677	75,372
Employer's contribution to defined contribution pension schemes	71,515	62,548
Casual and temporary staff costs	45,263	–
Health and life insurance costs	8,991	8,724
	<u>1,152,135</u>	<u>974,216</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2024 £	2023 £
£80,000 – £90,000	–	1
£90,000 – £100,000	1	–
	<u>1</u>	<u>1</u>

The total employee benefits (including employer pension contributions and employer's national insurance) of the key management personnel were £419,965 (2023: £389,537). The organisation considers key management personnel to be the Chief Executive, Head of Charity, Finance Manager, Head of Marketing and Communications, Head of Support Services and Operations Manager.

No trustee remuneration was paid to any trustees during the year. Trustees' expenses were reimbursed to 2 (2023: 3) trustees during the year.

Trustees' expenses represents the payment or reimbursement of costs as follows:

	2024 £	2023 £
Travel and subsistence costs	<u>12,714</u>	<u>3,563</u>

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2024 No.	2023 No.
Training	0.8	2.0
Competitions	2.9	4.0
Fundraising	4.5	3.0
Other central functions	19.0	15.0
	27.2	24.0

The full-time equivalent average number of employees during the year was as follows:

	2024 No.	Restated 2023 No.
Training	0.8	2.1
Competitions	2.9	3.8
Fundraising	4.5	2.0
Other central functions	17.8	15.7
	26.0	23.6

11 Related party transactions

Andrew James (Trustee) – payments of £Nil, (2023: £480) were made to Mrs K Treharne (daughter) for coaching within Pony Club branches. This was an arm's length transaction and Mr James has had no involvement in the procurement of coaches for any of the Pony Club Branches concerned. No balance is outstanding for these transactions at year end.

Tim Vestey (Trustee) – also a director of Thurlow Estate Farms Ltd (TEFL). Payments are made to TEFL on an arms length basis for services provided and the use of facilities for Pony Club events £4,813 (2023: £8,155). During the year the Pony Club also purchased a number of portable cross country fences from TEFL for £6,626 (2023: £Nil). At 31.12.24 TEFL was owed £Nil (2023: £1,225) by the Pony Club in respect of the above transactions.

Diane Pegrum (Trustee) – payments of £5,516 (2023: £5,319) were made in respect of consultancy fees. These fees are made in her capacity as a centre co-ordinator and are in line with the payments made to other centre co-ordinators for their services on an arms length basis.

Aggregate donations from related parties were £nil (2023: £nil).

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary The Pony Club Trading Limited gift aids any available profits to the parent charity.

13 Intangible fixed assets**The group and charity**

Cost	CRM £	Website £	Total £
At the start of the year	432,195	92,113	524,308
Additions in year	–	11,260	11,260
Disposals in year	–	(68,113)	(68,113)
At the end of the year	432,195	35,260	467,455
Amortisation			
At the start of the year	312,604	54,491	367,095
Charge for the year	119,591	11,467	131,058
Eliminated on disposal	–	(57,896)	(57,896)
At the end of the year	432,195	8,062	440,257
Net book value			
At the end of the year	–	27,198	27,198
At the start of the year	119,591	37,622	157,213

14 Tangible fixed assets**The group and charity**

Cost	Freehold land and property £	Computer equipment £	Trailers and course equipment £	Total £
At the start of the year	782,520	1,288,394	3,343,621	5,414,535
Additions in year	–	94,430	237,201	331,631
Disposals in year	–	(18,657)	(12,519)	(31,176)
At the end of the year	782,520	1,364,167	3,568,303	5,714,990
Depreciation				
At the start of the year	70,828	1,193,381	2,833,538	4,097,747
Charge for the year	1,960	58,077	194,337	254,374
Eliminated on disposal	–	(18,657)	(9,247)	(27,904)
At the end of the year	72,788	1,232,801	3,018,628	4,324,217
Net book value				
At the end of the year	709,732	131,366	549,675	1,390,773
At the start of the year	711,692	95,012	510,084	1,316,788

All of the above assets are used for charitable purposes.

A small number of Branches hold land which is not depreciated, the total net book value of freehold land is £615K (2023: £615K).

Notes to the financial statements

For the year ended 31 December 2024

15 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of The Pony Club Trading Limited, a company registered in England (Registered address Lowlands Equestrian Centre, Shrewley, Warwickshire CV35 7AX – company number 3294943). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2024 £	2023 £
Turnover	138,408	142,569
Cost of sales	–	(2,403)
Gross profit	138,408	140,166
Administrative expenses	(20,761)	(13,874)
Profit on ordinary activities before taxation	117,647	126,292
Taxation on profit on ordinary activities	–	–
Profit for the financial year	117,647	126,292
Retained earnings		
Total retained earnings brought forward	3,836	3,836
Profit for the financial year	117,647	126,292
Distribution under Gift Aid to parent charity	(117,646)	(126,292)
Total retained earnings carried forward	3,837	3,836
The aggregate of the assets, liabilities and reserves was:		
Assets	57,936	86,621
Liabilities	(54,097)	(82,783)
Reserves	3,839	3,838

Amounts owed to the parent undertaking are shown in notes 17.

16 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2024 £	2023 £
Gross income	13,392,499	13,064,305
Result for the year	124,646	449,885

Notes to the financial statements

For the year ended 31 December 2024

17 Debtors

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Trade debtors due after one year	68,497	68,497	83,352	68,497
Trade debtors due within one year	18,029	22,322	–	1,799
Amount owed by subsidiary undertaking	–	–	3,477	36,714
Prepayments and accrued income	728,915	375,993	722,215	372,723
	815,441	466,813	809,044	479,733

Trade debtors includes a long term debtor of £68,497 (2023: £68,497). This represents the ownership percentage that one of The Pony Club's branches has in a local riding school, measured at fair value. It is not anticipated to be sold within the next 12 months.

18 Short term deposits

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Central	2,612,087	2,018,901	2,612,087	2,018,901
Branches	60,091	60,091	60,091	60,091
	2,672,178	2,078,992	2,672,178	2,078,992

19 Cash at bank and in hand

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Central	251,677	855,268	251,677	855,268
Branches	5,301,575	5,441,157	5,301,575	5,441,156
Trading subsidiary	48,062	62,828	–	–
	5,601,314	6,359,252	5,553,252	6,296,423

20 Creditors: amounts falling due within one year

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Trade creditors	251,025	200,294	249,705	200,294
Taxation and social security	24,059	26,174	24,059	26,174
Other creditors	85,540	89,192	85,540	86,191
Accruals	68,550	90,803	65,150	90,803
Deferred income (note 22)	815,118	833,632	772,220	794,565
	1,244,292	1,240,095	1,196,674	1,198,026

21 Creditors: amounts falling due after one year

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Deferred income (note 22)	3,000	3,999	–	–
	3,000	3,999	–	–

Notes to the financial statements

For the year ended 31 December 2024

22 Deferred income

Deferred income comprises of income received for branch and centre membership and events taking place in the following financial year end.

	The group		The charity	
	2024	2023	2024	2023
	£	£	£	£
Balance at the beginning of the year	837,632	746,477	794,565	714,768
Amount released to income in the year	(837,632)	(746,477)	(794,565)	(714,768)
Amount deferred in the year	818,118	837,632	772,220	794,565
Balance at the end of the year	818,118	837,632	772,220	794,565

23a Analysis of group net assets between funds (current year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Intangible assets	27,198	–	–	27,198
Tangible fixed assets	13,777	1,376,996	–	1,390,773
Net current assets	2,185,647	5,474,873	184,121	7,844,641
Net assets at 31 December 2024	2,226,622	6,851,869	184,121	9,262,612

23b Analysis of group net assets between funds (prior year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Intangible assets	157,213	–	–	157,213
Tangible fixed assets	16,018	1,300,770	–	1,316,788
Net current assets	1,930,503	5,664,451	66,010	7,660,963
Net assets at 31 December 2023	2,103,733	6,965,221	66,010	9,134,964

24a Movements in funds (current year)

	At 1 January 2024 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2024 £
Restricted funds:					
Sport England	17,869	67,883	(37,488)	–	48,264
Other funds	48,141	51,530	(38,791)	74,977	135,857
Total restricted funds	66,010	119,413	(76,279)	74,977	184,121
Unrestricted funds:					
Branch / Area funds	6,965,221	10,091,330	(10,129,705)	(74,977)	6,851,869
Designated funds	6,965,221	10,091,330	(10,129,705)	(74,977)	6,851,869
Non charitable trading	3,839	138,408	(138,408)	–	3,839
General funds	2,099,894	3,181,756	(3,061,867)	–	2,219,783
General unrestricted funds	2,103,733	3,320,164	(3,200,275)	–	2,223,622
Total unrestricted funds	9,068,954	13,411,494	(13,329,980)	(74,977)	9,075,491
Total funds	9,134,964	13,530,907	(13,406,259)	–	9,259,612

The narrative to explain the purpose of each fund is given at the foot of the note below.

Notes to the financial statements

For the year ended 31 December 2024

24b Movements in funds (prior year)

	At 1 January 2023 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2023 £
Restricted funds:					
Sport England	15,944	5,950	(4,025)	–	17,869
Other funds	6,553	17,150	(6,562)	31,000	48,141
Total restricted funds	22,497	23,100	(10,587)	31,000	66,010
Unrestricted funds:					
Branch / Area funds	6,985,714	10,609,924	(10,599,417)	(31,000)	6,965,221
Designated funds	6,985,714	10,609,924	(10,599,417)	(31,000)	6,965,221
Non charitable trading	3,839	16,277	(16,277)	–	3,839
General funds	1,675,811	2,415,077	(1,990,995)	–	2,099,894
General unrestricted funds	1,679,650	2,431,354	(2,007,271)	–	2,103,733
Total unrestricted funds	8,665,364	13,041,279	(12,606,688)	(31,000)	9,068,954
Total funds	8,687,860	13,064,379	(12,617,275)	–	9,134,964

Purposes of restricted funds

Sport England funds represent British Equestrian funding that has been allocated to The Pony Club's Diversification Project. This project aims to introduce more young people to horses through the creation of an interactive resource. The project works specifically with those groups identified by Sport England as facing inequalities to engaging with sport and physical activity to offer accessible opportunities to learn about horses.

Other funds represent funds received by individual branches or headquarters for specific projects as defined by the donor.

Transfers of £74,977 have been made between unrestricted and restricted funds this year to reflect the nature of the restrictions placed by the donor on how funds can be spent.

Purposes of designated funds

Branch funds represent accumulated reserves of the individual Branches and Areas of The Pony Club. Although these reserves form part of the unrestricted funds of The Pony Club, Trustees recognise that in normal circumstances the funds will be used by the individual Branches and Areas to further the objectives of The Pony Club within their geographical area of activity. New designations represent income during the year and utilised funds represent expenditure for the year.

Non charitable trading funds are the reserves of the trading subsidiary.

25 Operating lease commitments payable as a lessee

The group's and the charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property 2024 £	2023 £	Equipment 2024 £	2023 £
Less than one year	38,030	35,305	366	366
One to five years	32,874	65,551	641	671
	70,904	100,856	1,007	1,037

26 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The members of the company are the trustees named on page 2, plus the company members. The liability of each member in the event of winding up is limited to £1.

THE PONY CLUB

England & Wales - Charity number 1050146

Accounts

Company number: 03072475
Charity Number: 1050146

The Pony Club

Report and consolidated financial statements
For the year ended 31 December 2023

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The Pony Club

Reference and administrative information

For the year ended 31 December 2023

Company number	030702475
Country of incorporation	United Kingdom
Charity number	1050146
Country of registration	England and Wales

Registered office and operational address	The Pony Club Lowlands Equestrian Centre Old Warwick Road Shrewley Warwickshire CV35 7AX
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Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:
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Mr T R G Vestey	Chairman
Mrs DE Pegrum	Vice Chairman (Appointed September 2023)
Ms J E Baynes	
Mr P W Freedman	(Resigned December 2023)
Mrs AV Goodley	(Appointed September 2023)
Mr N J Howlett	Treasurer
Mrs H Jackson	
Mr A W James	
Mrs P Jewitt	(Appointed January 2024)
Mrs E P Lowry	(Resigned December 2023)
Mrs C M G Valori	(Resigned December 2023)

Key management personnel	Mr Marcus Capel	Chief Executive
	Mrs Michelle Tompkinson	Head of Marketing and Communications (Resigned January 2024)
	Mrs Verity Beaton	Head of Marketing and Commercial (Appointed April 2024)
	Ms Heidi Lockyer	Head of Charity
	Mrs Beryl Stringer	Head of Support Services
	Ms Sue Woolnough	Finance Manager (Resigned September 2023)
	Mrs Lisa Retford	Finance Manager (Appointed October 2023)
	Mrs Emma Holliwell	Operations Manager

Bankers	Barclays Bank Plc 105 The Parade, Leamington Spa, CV32 4AZ
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Solicitors	DWF LLP One Snowhill, Birmingham, B4 6GA
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The Pony Club

Reference and administrative information

For the year ended 31 December 2023

Auditor	Sayer Vincent LLP Chartered Accountant and Statutory Auditor 110 Golden Lane, London, EC1Y 0TG
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The Pony Club

Trustees' annual report

For the year ended 31 December 2023

The Trustees present their report and the audited financial statements for the year ended 31st December 2023.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice - Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and Activities

The Pony Club Charitable Purpose is:

- To promote and advance the education and understanding of the public and particularly children and young people, in all matters relating to horsemanship and the horse.
- To encourage the development of sportsmanship, unlocking potential by building resilience, confidence, teamwork and leadership skills.
- To support and develop the volunteering network to strengthen The Pony Club community and sustain life-long engagement with equestrianism.

The charitable aims are delivered via a network of some 320 geographically spread Branches and approximately 300 Centres in Great Britain and Northern Ireland. Some 22,000 children up to the age of 25 subscribe as Pony Club Branch members, whilst approaching 10,000 subscribe as Centre members. Branches and Centres are overseen by 19 Area Representatives, volunteers who assist in the administration of Branch and Centre activities in their geographical area, troubleshoot as required, and are on hand to disseminate advice, help and best practice. They also organise a set of Area competitions each year and coordinate the calendar of events in their Area.

Each Branch is run by a volunteer committee, chaired by a District Commissioner. Branches organise training sessions known as rallies for their members, alongside a diverse range of other educational and social activities. Organisation of rallies, training activities and local competitions is generally volunteer-led, whilst specific equestrian instruction is generally delivered by paid, freelance instructors. Members who own their own horse or pony pay a subscription to join the Branch, and a fee to attend rallies and other training and competitive events. The nine equestrian Sports recognised and promoted by the Pony Club organise competitive activities, starting at a local level and culminating for most sports in annual National Championships. Branches are semi-autonomous, with responsibility for their own profitability and financial well-being, and account to the parent regarding levels of participation in their ridden training and competitive activities, Test achievements, Achievement Badge awards and their financial health. The Pony Club remains a vibrant organisation at branch level and many branches provide outstanding training and social opportunities. The skills acquired by young people at Pony Club rallies, camps and training as well as in competitive situations equip members for life beyond Pony Club.

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Trustees' annual report

For the year ended 31 December 2023

Centre membership is available to children and young adults who do not own their own horse but hire a horse or pony from a Riding Centre linked to The Pony Club. Many who are from urban backgrounds or unable to afford to own their own horse find the Centre option very appealing. Pony Club Centre membership provides access to Pony Club insurance, training, educational and competitive events. The Centre Membership scheme celebrates its 25th Anniversary in 2024.

The Pony Club is governed by its Articles of Association and a Governance Document which defines the relationship between volunteers and an executive team of 27 based in an office in Warwickshire. Ultimate responsibility for decision making resides with the volunteer Trustees, who oversee the composition and roles of the volunteer committees responsible for Finance, IT, Governance, Sports, Training, Health, Safety and Safeguarding, Horse Welfare, Volunteering and miscellaneous other Pony Club activities. The Pony Club has a clear set of rules defining the relationship between the parent and associated Branches and Centres, and the conduct required at all levels of the organisation. In accordance with the provisions of the Memorandum and Articles of Association of The Pony Club, no remuneration is paid to the Trustees. Volunteers receive reimbursement of reasonable expenses.

The Trustees review the aims, objectives and activities of The Pony Club each year. This report looks at what The Pony Club has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits The Pony Club has brought to the people that it is set up to help. The review also helps the Trustees ensure The Pony Club's aims, objectives and activities remain focussed on its stated purpose.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing The Pony Club's aims and objectives and in planning its future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Strategic Report

The Pony Club Strategic Objectives are:

- Membership
 - To grow membership by 10% by 2025
 - To demonstrate the social, sporting and leadership impact of The Pony Club
 - To contribute to British Equestrian's initiative to improve diversity within equestrian sport.
 - To develop global opportunities for members, coaches and volunteers within The Pony Club International Alliance, the Euro Pony Club and our overseas Branches and Centres
- Charity
 - To raise the profile of The Pony Club and emphasise its charitable status.
 - To be the leading provider of horsemanship education and training for children and young people in the UK.

The Pony Club

Trustees' annual report

For the year ended 31 December 2023

- To communicate The Pony Club's contribution to society in order to build visibility, trust and respect.
 - To teach children and young people the skills they need for a horse or pony in their care to thrive.
 - To ensure responsible horse ownership and management is at the forefront of our riding activities and to embed the mental, physical and emotional requirements of the horse in all training activity.
 - To be inclusive and accessible to children and young people from all walks of life.
- Volunteers
 - To ensure that The Pony Club is the organisation of choice for people wishing to support children and young people in an equestrian setting.
 - To enhance the reputation of The Pony Club as the most trusted and rewarding volunteer organisation in equestrianism in the UK.
 - To promote the concept of One Pony Club across our whole community.
- Sustainability
 - To maintain a sustainable financial framework with appropriate infrastructure.
 - To attract and retain sufficient capable and motivated people (staff and volunteers) to meet the needs of our organisation.
 - To operate within an appropriate legal and regulatory framework.
 - To nourish The Pony Club Governance structure, providing informed, transparent decisions and clear communications.

Achievements in 2023 are assessed as follows:

Membership

	31/12/23	31/12/22
Branch Members	22,159	22,820
Centre Members	9,727	9,764
Overseas Members	<u>360</u>	<u>531</u>
Total Members	32,246	33,115

As can be seen by the above figures, broadly static membership numbers in 2022 have declined during the course of 2023. By giving careful consideration to affordability when setting the level of membership and competition fees, the Trustees continue their endeavours to enhance the accessibility and diversity of The Pony Club.

The Pony Club

Trustees' annual report

For the year ended 31 December 2023

Charity

The primary aim of every Branch and Centre is to teach Members to ride and care for their horse or pony at rallies and camps.

The Pony Club runs a formal efficiency test scheme from E through to A. At the higher levels these tests are formally recognised coaching standards enabling test holders to enter the world of work and earn a living by teaching children to ride.

The Pony Club also awards achievement badges which recognise and reward the acquisition of knowledge relating to individual aspects of pony care, first aid, farming, the natural world and various equestrian sports, thereby helping Members learn and develop. The Pony Club monitors tests taken and badges awarded as measures of its success as a training organisation. In 2023 circa 10,000 (2022: 7,653) members passed one or more efficiency tests, while 16,483 (2022:14,289) achievement badges were awarded. No test is compulsory. Online learning material continues to be developed so members can study in their own time as well as join Branch, Centre and regional learning. The Training Committee, the Health & Safety, Safeguarding and Horse Welfare Advisory Committee and the Rules and Compliance Committee continue to ensure training materials reflect the latest developments in human and horse well-being and welfare.

Members can compete as individuals or in teams in competitions against other branches or centres. The ability to deal with success and failure both individually and as a team member is central to the ethos of The Pony Club and is a fundamental life skill. Local and Regional competitions act as qualifying rounds for annual, national and/or international championships. The Pony Club Championships were staged again at Offchurch Bury near Leamington Spa, attracting some 2,700 competitors over the eight days of competition. The Pony Club competition schedule seeks to impart to members the skills required for competitive careers in the nine competitive sports supported by The Pony Club, namely Show Jumping, Eventing, Dressage, Mounted Games, Tetrathlon, Polocrosse, Polo, Pony Racing and Endurance.

All coaches are accredited and must partake in training, an approval process and continuing professional development. The Pony Club encourages Members to aspire to become coaches and has a well-established coaching development programme. This virtuous circle benefits both The Pony Club and its Members, providing further skills and the opportunity to generate income as an instructor. Many Members graduate to careers in the equestrian sphere and the grounding they gain in The Pony Club is well respected. Hard work, team work, horsemanship, sportsmanship and high standards of riding and teaching set Pony Club members apart. Current and past members are professional riders, veterinary surgeons and nurses, horse dentists, farriers, grooms and work in diverse roles in the racing industry. The skills learned in The Pony Club are also transferable to careers outside the equestrian world.

The Pony Club

Trustees' annual report

For the year ended 31 December 2023

Volunteers

The Pony Club remains hugely indebted to the unpaid officials who run the affairs of its Branches and to the many thousands of volunteers who assist in activities staged by branches. Volunteers are also the mainstay of the Pony Club Championships. The Pony Club recognises volunteers who serve the Pony Club for 20 years or more through its Cubitt Award Programme and exceptional service is recognised through the recently introduced Cherry Awards, named in memory of past Chairman Cherry Mitchell. It also seeks to encourage young people to volunteer in the equestrian sector and to facilitate the attainment of Duke of Edinburgh Awards through Pony Club participation. To this end, a growing number of members participate in YELA (Young Equestrian Leader Award) 685. (2022: 399).

The spectrum of Pony Club members, parents, coaches, centre proprietors and volunteers is multi-generational and family based, often engaging several generations of the same family in one place or at one event. The culture of volunteering remains extraordinarily strong and the sense of belonging to and ownership of The Pony Club pervades all parts of this spectrum.

The understanding of defined strategic objectives by staff and volunteers alike, coupled with the effective deployment of staff to support volunteers and volunteering is enhancing the sense of working towards a common cause, whether as a volunteer or as a paid member of staff.

Sustainability

The Pony Club again sustained a strong financial performance during 2023, with central reserves now at a level which will provide an adequate financial buffer should disease outbreak or pandemic disrupt our activities again, thereby imparting confidence to staff and volunteers alike.

Pelham, the Pony Club's membership database, is now linked to online entry systems which are used by almost all Branches and competitive activities. For the first time entry and participation data is captured automatically from the vast majority of Pony Club events, which will prove to be a useful analytical tool in years to come.

Beneficiaries of our services

The main beneficiaries of The Pony Club are the Members who continue to develop as riders and learn about the care and welfare of horses and ponies. The Pony Club continues to be a trusted and relevant organisation focused on supporting children and young people in the equestrian world.

Developing rounded, well-educated Members also benefits the wider equestrian sector by providing knowledgeable candidates for careers in horse related spheres. It is notable that a high percentage of those who represented Great Britain in equestrian sports in the 2024 Paris Olympics were ex-

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Pony Club members. Nevertheless, irrespective of competitive prowess, the skills imparted by The Pony Club of teamwork, sportsmanship, horsemanship, kindness, resilience, dedication and independent thought are valuable life skills for all members. Many friendships gained through participation in Pony Club activities endure for life.

Financial Review

The consolidated financial statements including The Pony Club and its subsidiary trading company (The Pony Club Trading Ltd) for the year ended 31 December 2023 are presented. The financial statements comply with all statutory requirements and the requirements of The Pony Club's Memorandum and Articles of Association.

The Pony Club recorded a surplus for the year of £447k (2021: £511k). Income from subscriptions declined marginally to £2,564k (2022: £2,600k), training increased to £6,052k (2022: £5,899k) and competitions grew again to £2,935k (2022: £2,663k). Total income increased to £13,064k (2022: £12,500k). Expenditure on training rose to £8,554k (2022: £8,313k) and on competitions to £3,559k (2022: £3,204k). Total expenditure increased to £12,617k (2022: £11,988k). Careful cost control means that an acceptable surplus for the year has again been achieved, enabling us to further supplement central reserves.

Our database management system, Pelham, has been live since late 2020. Amortisation of £72k was recognised during 2023. The database management system remains as an intangible asset with a capitalised value of £120k.

A large proportion of The Pony Club's net assets are held by Branches and are used by them for the benefit of Members. Branch funds have been treated as designated funds in the Balance Sheet. All assets are available to fulfil the obligations of The Pony Club in the future. Movements in tangible fixed assets are detailed in note 13.

Principal risks and uncertainties

The Trustees consider the following to be the principal risks and uncertainties facing The Pony Club and have taken the following steps to address them:

Contagious Viruses and Diseases

Disease or pandemic within the human or equine population, particularly if accompanied by government restrictions on human or equine interaction, could impact in a materially adverse manner on membership activities. Cost control is paramount should such an event occur again.

Loss of Membership

The Trustees and the Senior Leadership team continue to pursue a strategy to attract new and to retain existing members. Nevertheless, a significant loss of members would translate into a

The Pony Club

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For the year ended 31 December 2023

reduction in income and would require the implementation of cost cutting measures in order to sustain the continued operation of The Pony Club.

Loss of volunteers and associated knowledge, experience and skills.

The Pony Club is heavily reliant on volunteers. It recognises and supports its volunteers both at local, regional and national level. However, committing time to Pony Club volunteering becomes harder for many each year. The use of technology to assist the staging of events is increasingly in evidence, which serves to alleviate some of the demands historically made of volunteers.

Adverse publicity and reputational damage

There is a risk that the activities of employees, volunteers, members and members' families could bring the organisation adverse publicity. This risk is minimised by training for volunteers, staff and members and by promoting readily accessible codes of conduct. Potentially damaging behaviour is dealt with promptly with support from senior volunteers and employees where necessary.

Reliance on Information Technology

The reliance on information technology presents an inevitable risk to The Pony Club. Investment in the new membership database, maintaining cyber security and complying with GDPR regulations continued throughout 2023 and will be an on-going feature of and cost to the business in future years.

Financial

The Pony Club is exposed to financial risks as a result of its day to day activities and could potentially face financial losses from events, legal action or loss of members. To manage these risks The Pony Club holds insurance policies and monitors its reserves carefully. The Pony Club Trustees have continued to strengthen central reserves in 2023 to facilitate robust financial health and to cope with as many foreseeable and un-foreseeable risks, costs or losses as possible.

Reserves Policy and going concern

At 31 December 2023, the unrestricted funds of the Charity totalled £9,069k (2022: £8,665k). Of this sum £6,965k (2022: £6,985k) represents funds held by Branches and Areas leaving £2,097k held in central reserves (2022: £1,673k) and £7k (2022: 7k) held by The Pony Club Trading Limited.

The Pony Club Office needs to fund working capital and in order to be able to address unforeseen risks and circumstances the Trustees believe that the unrestricted reserves retained centrally should equate to approximately twelve month's expenditure. Office expenditure during the year amounted to £1,606k, so total central reserves were equivalent to 13.9 months expenditure (2022: 10.5 months).

The Trustees conclude that it is appropriate to treat The Pony Club as a going concern.

The Pony Club

Trustees' annual report

For the year ended 31 December 2023

Structure, governance and management

The Pony Club is a charitable company limited by guarantee, incorporated in England and Wales on 26 June 1995 and registered as a charity on 1 January 1997. The company is established under a Memorandum of Association which defines the objects and powers of the charitable company and is governed under its Articles of Association.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

The Pony Club derives its income from member subscriptions, sponsorship and entry fees from events. It does not engage in any material fundraising activities either directly or through third parties.

The Pony Club Trading Limited was incorporated in England and Wales on 16 December 1996, as a wholly owned subsidiary of The Pony Club. The results of that company are consolidated within these financial statements.

Governance

The Board of Trustees is the ultimate authority of The Pony Club. Reporting to the Board are the Management Committee and the Chief Executive.

The Management Committee is responsible for the full range of equestrian activities, including Branch and Centre Membership, tack, dress, tests and competitions. The Trustees delegate their functions relating to equestrian activities of The Pony Club to committees. These committees are Training, Health & Safety, Safeguarding and Horse Welfare, Centre Membership, Eventing, Show Jumping, Dressage, Mounted Games, Tetrathlon, Polo, Polocrosse, Endurance and Pony Racing. Each Committee generally appoints two Area Representatives to be committee members.

The Chief Executive is an employee of The Pony Club, responsible for administering the activities of The Pony Club and the Office within the policies and procedures established by the Board of Trustees and the Management Committee, and in accordance with statutory requirements and the approved budget.

Third Party Indemnity Insurance is in place in respect of the Trustees (as directors of the company).

Appointment of Trustees

Trustees of the charity are also company directors as a matter of company law.

The Pony Club

Trustees' annual report

For the year ended 31 December 2023

In accordance with the Articles of Association of The Pony Club, the Board of Trustees is responsible for the appointment of Trustees. Any Trustee appointed by the Board will hold office until the next AGM or EGM, at which the Members of The Pony Club determine whether to re-appoint them as Trustees for a three-year term. Two Trustees are appointed by the Area Representatives. The Board of Trustees also nominates the Treasurer of The Pony Club and a Trustee to represent Centre members. Trustees are eligible for reappointment, subject to a maximum term of nine years.

When there are Trustee vacancies, these are advertised and applications are invited. The Trustees then review the applications and appoint new Trustees in line with the Articles of Association.

Trustee Induction and training

New Trustees attend a training day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the strategic plan, and the recent financial performance of the charity. During the induction day they meet key employees.

Related parties and relationships with other organisations

The Pony Club has a wholly owned subsidiary undertaking, The Pony Club Trading Limited.

Remuneration policy for key management personnel

Remuneration of key management personnel is set by the Board of Trustees.

Statement of Responsibilities of the Trustees

The Trustees (who are also directors of The Pony Club for the purposes of company law) are responsible for preparing the Trustees' Annual 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 or group 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 judgements and estimates that are reasonable and prudent

Trustees' annual report

For the year ended 31 December 2023

- State whether applicable UK Accounting Standards and statements of recommended practice 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31st December 2023 was 38 (2021: 36). The Trustees are Members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report which includes the strategic report was approved by the Trustees on 26th September 2024 and signed on their behalf by

T R G Vestey
Chairman

Independent auditor's report

to the Members of

The Pony Club

Opinion

We have audited the financial statements of The Pony Club (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2023 and of the group'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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Pony Club's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Independent auditor's report

to the Members of

The Pony Club

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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.

Opinions 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 trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Independent auditor's report

to the Members of

The Pony Club

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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, 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 parent charitable company'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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;

Independent auditor's report

to the Members of

The Pony Club

- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available 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 charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable

Independent auditor's report

to the Members of

The Pony Club

company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fleur Holden (Senior statutory auditor)

30 September 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Pony Club

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2023

		2023			2022	
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £
Income from:						
Donations and legacies	2	759,979	23,100	783,079	711,023	20,000
Charitable activities						
Subscriptions	3	2,563,521	–	2,563,521	2,600,300	–
Training	3	6,052,232	–	6,052,232	5,899,483	–
Competitions	3	2,935,263	–	2,935,263	2,662,843	–
Other trading activities	4	142,569	–	142,569	114,337	–
Investments	5	94,473	–	94,473	6,736	–
Other	6	493,242	–	493,242	477,827	7,551
Total income		13,041,279	23,100	13,064,379	12,472,550	27,551
Expenditure on:						
Raising funds	7a	504,071	–	504,071	470,170	–
Charitable activities						
Training	7a	8,543,643	10,587	8,554,230	8,305,052	8,842
Competitions	7a	3,558,974	–	3,558,974	3,204,296	–
Tax payable by subsidiaries	12	–	–	–	–	–
Total expenditure		12,606,688	10,587	12,617,275	11,979,518	8,842
Net income / (expenditure) for the year	8	434,590	12,513	447,104	493,031	18,709
Transfers between funds		(31,000)	31,000	–	–	–
Net movement in funds		403,590	43,513	447,104	493,031	18,709
Reconciliation of funds:						
Total funds brought forward		8,665,363	22,497	8,687,860	8,172,332	3,788
Total funds carried forward		9,068,954	66,010	9,134,964	8,665,363	22,497

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 24a to the financial statements.

The Pony Club

Balance sheets

Company no. 03072475

As at 31 December 2023

		The group		The charity	
	Note	2023 £	2022 £	2023 £	2022 £
Fixed assets:					
Intangible assets	13	157,213	219,007	157,213	219,007
Tangible assets	14	1,316,788	1,234,885	1,316,788	1,234,885
Investment in subsidiary undertaking	15	–	–	2	2
		1,474,001	1,453,893	1,474,003	1,453,895
Current assets:					
Debtors	17	466,813	440,463	479,733	440,860
Short term deposits	18	2,078,992	60,091	2,078,992	60,091
Cash at bank and in hand	19	6,359,252	7,863,003	6,296,423	7,820,773
		8,905,057	8,363,557	8,855,148	8,321,725
Current liabilities:					
Creditors: amounts falling due within one year	20	1,240,095	1,126,590	1,198,026	1,094,379
		7,664,962	7,236,967	7,657,122	7,227,346
Net current assets					
Non-current liabilities:					
Creditors: amounts falling due after one year	21	3,999	3,000	–	–
		9,134,964	8,687,860	9,131,125	8,681,240
Total net assets					
Funds:					
Restricted income funds	24a	66,010	22,497	66,010	22,497
Unrestricted income funds:					
Designated funds		6,965,221	6,985,714	6,965,221	6,985,714
Non-charitable trading funds		6,616	6,616	–	–
General funds		2,097,117	1,673,034	2,099,894	1,673,029
Total unrestricted funds		9,068,954	8,665,364	9,065,115	8,658,743
Total funds		9,134,964	8,687,860	9,131,125	8,681,240

Approved by the trustees on 26th September 2024 and signed on their behalf by

T R G Vestey
Chairman

The Pony Club

Consolidated statement of cash flows

For the year ended 31 December 2023

	2023 £	£	2022 £	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	447,104		511,740	
Depreciation charges	185,867		251,756	
Loss on disposal of fixed assets	–		11,775	
Amortisation	85,794		70,082	
Interest on short term deposits	(94,473)		(6,736)	
Decrease / (increase) in debtors	(26,349)		166,680	
Increase in creditors	114,505		20,660	
Net cash provided by operating activities		712,448		1,025,956
Cash flows from investing activities:				
Interest on short term deposits	94,473		6,736	
Purchase of fixed assets	(267,770)		(295,970)	
Purchase of intangible assets	(24,000)		(41,900)	
Net cash used in investing activities		(197,297)		(331,134)
Change in cash and cash equivalents in the year		515,151		694,823
Cash and cash equivalents at the beginning of the year		7,923,093		7,228,270
Cash and cash equivalents at the end of the year		8,438,244		7,923,093
Analysis of cash and cash equivalents				
	At 1 Jan 23	Cashflows	Other changes £	At 31 December 2023 £
Short term deposits	60,091	–	2,018,901	2,078,992
Cash at bank and in hand	7,863,002	515,151	(2,018,901)	6,359,252
Total cash and cash equivalents	7,923,093	515,151	–	8,438,244

1 Accounting policies

a) Statutory information

The Pony Club is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Lowlands Equestrian Centre, Shrewley, Warwickshire CV35 7AX.

b) Basis of preparation

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 (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary The Pony Club Trading Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below. The accounts are prepared as full values however are presented to the nearest £1. This may cause small discrepancies in the financial statements

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Sufficient reserves are held centrally and across the organisation and the trustees have a reviewed a rolling 24 months cash flow forecast in order to make this judgement which show no significant risk to the going concern position.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been left to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Accounting for Branches and Areas

Accounting for Branches and Areas is done on a 'cash accounting basis' with any single debtor or creditor in excess of £5k being accounted for. All purchases and disposals of fixed assets are recorded and a central fixed asset register is maintained.

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of training, competition and supporting activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity based upon their proportional incomes.

j) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on revenue.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of revenue for each activity.

●	Raising funds	10%
●	Training	60%
●	Competitions	30%

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Intangible assets

Items are capitalised where intangible assets generated exceed the value of £1,000. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Intangible assets will be amortised over a straight line basis over 5 years.

1 Accounting policies (continued)

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

●	Freehold land	not depreciated
●	Freehold buildings	over 50 years
●	Motor vehicles and caravans	over 4 years
●	Computer equipment	over 2 years

n) Investments in subsidiaries

Investments in subsidiaries are at cost.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

t) Defined pension contribution scheme

Pension contributions are charged to income as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.

Notes to the financial statements

For the year ended 31 December 2023

2 Income from donations and legacies

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Donations income	67,840	–	67,840	43,251	–	43,251
BEF grant income	–	5,950	5,950	–	20,000	20,000
Other grant income	–	17,150	17,150	–	–	–
Branch fundraising income	692,139	–	692,139	667,773	–	667,773
	759,979	23,100	783,079	711,023	20,000	731,023

3 Income from charitable activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Branch subscriptions	1,705,734	–	1,705,734	1,782,186	–	1,782,186
Branch gift aid	350,461	–	350,461	326,605	–	326,605
Centre subscriptions	388,242	–	388,242	389,446	–	389,446
Centre gift aid	72,137	–	72,137	63,741	–	63,741
Centre affiliation fees	34,541	–	34,541	36,096	–	36,096
Overseas Branch affiliation fees	10,485	–	10,485	2,225	–	2,225
Interest on gift aid	1,920	–	1,920	–	–	–
Sub-total for Subscriptions	2,563,521	–	2,563,521	2,600,300	–	2,600,300
Central training income	77,460	–	77,460	64,720	–	64,720
Branches training income	5,786,824	–	5,786,824	5,649,844	–	5,649,844
Areas training income	187,948	–	187,948	184,919	–	184,919
Sub-total for Training	6,052,232	–	6,052,232	5,899,483	–	5,899,483
Central competition income	442,584	–	442,584	437,766	–	437,766
Branches competition income	2,150,285	–	2,150,285	1,954,273	–	1,954,273
Areas competition income	342,394	–	342,394	270,803	–	270,803
Sub-total for Competitions	2,935,263	–	2,935,263	2,662,843	–	2,662,843
Total income from charitable	11,551,016	–	11,551,016	11,162,626	–	11,162,626

4 Income from other trading activities

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Sponsorship, sale of merchandise and commission income	142,569	–	142,569	114,337	–	114,337
	142,569	–	142,569	114,337	–	114,337

Notes to the financial statements

For the year ended 31 December 2023

5 Income from investments

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Central bank interest received	72,591	–	72,591	40	–	40
Branches bank interest received	21,882	–	21,882	6,696	–	6,696
	94,473	–	94,473	6,736	–	6,736

6 Other income

	Unrestricted £	Restricted £	2023 Total £	Unrestricted £	Restricted £	2022 Total £
Central other income received	32,193	–	32,193	26,535	–	26,535
Branches other income received	423,642	–	423,642	390,758	7,551	398,308
Areas other income received	37,408	–	37,408	60,534	–	60,534
	493,243	–	493,243	477,827	7,551	485,378

Other Income does not include any Trading activity and is made up largely of income received for trips and other ancillary events organised by the Branch for the benefit of their members.

The Pony Club

Notes to the financial statements

For the year ended 31 December 2023

7a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities		Governance costs £	Support costs £	2023 Total £	2022 Total £
		Training £	Competitions £				
Costs of camps, rallies and other training events	-	6,346,674	-	-	-	6,346,674	6,196,458
Costs of competitions	-	-	2,398,908	-	-	2,398,908	2,114,449
Centre membership	-	81,830	-	-	-	81,830	94,550
Branch costs	152,387	914,324	457,162	-	-	1,523,874	1,517,457
Public liability insurance	-	212,128	95,748	-	-	307,876	272,538
Fundraising and publicity	191,034	-	-	-	-	191,034	170,043
Staff payroll, pension, ers NI,	-	35,059	124,086	81,462	724,886	965,493	881,291
Life and health and temp staff	-	317	1,121	736	6,550	8,724	16,918
Irrecoverable VAT	-	-	-	-	119,008	119,008	146,218
Amortisation, depreciation and impairment	-	-	-	-	271,285	271,285	320,437
Premises costs	-	-	-	-	70,530	70,530	14,999
Office costs	-	-	-	-	41,868	41,868	63,338
Other expenses	-	-	-	-	114,681	114,681	74,387
Legal and professional	-	-	-	175,489	-	175,489	105,277
	343,421	7,590,333	3,077,025	257,687	1,348,809	12,617,275	11,988,359
Governance costs	25,769	154,612	77,306	(257,687)	-	-	-
Support costs	134,881	809,285	404,643	-	(1,348,809)	-	-
Total expenditure 2023	504,071	8,554,230	3,558,974	-	-	12,617,275	11,988,359

7b Analysis of expenditure (prior year)

		Charitable activities				
	Cost of raising funds £	Training £	Competitions £	Governance costs £	Support costs £	2022 Total £
Costs of camps, rallies and other training events	-	6,196,458	-	-	-	6,196,458
Costs of competitions	-	-	2,114,449	-	-	2,114,449
Centre membership	-	94,550	-	-	-	94,550
Branch costs	151,746	910,474	455,237	-	-	1,517,457
Public liability insurance	-	187,780	84,758	-	-	272,538
Fundraising and publicity	170,043	-	-	-	-	170,043
Staff payroll, pension, ers NI,	-	34,349	104,710	44,323	697,909	881,291
Life and health and temp staff	-	-	-	-	16,918	16,918
Irrecoverable VAT	-	-	-	-	146,218	146,218
Amortisation, depreciation and impairment	-	-	-	-	320,437	320,437
Premises costs	-	-	-	-	14,999	14,999
Office costs	-	-	-	-	63,338	63,338
Other expenses	-	-	-	-	74,387	74,387
Legal and professional	-	-	-	105,277	-	105,277
	<u>321,789</u>	<u>7,423,611</u>	<u>2,759,154</u>	<u>149,600</u>	<u>1,334,205</u>	<u>11,988,359</u>
Governance costs	14,960	89,760	44,880	(149,600)	-	-
Support costs	133,421	800,523	400,262	-	(1,334,205)	-
Total expenditure 2022	<u>470,170</u>	<u>8,313,894</u>	<u>3,204,296</u>	<u>-</u>	<u>-</u>	<u>11,988,359</u>

Notes to the financial statements

For the year ended 31 December 2023

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2023 £	2022 £
Depreciation	185,867	251,756
Loss on Disposal of Fixed Assets	–	11,775
Amortisation	85,794	70,082
Operating lease rentals:		
Property	42,366	29,013
Other	483	3,803
Auditor's remuneration (excluding VAT):		
Audit	24,000	22,350
Other services	1,475	1,340
	185,867	251,756

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

Staff costs were as follows:

	2023 £	2022 £
Salaries and wages	827,572	750,254
Social security costs	75,372	78,184
Employer's contribution to defined contribution pension schemes	62,548	52,853
Casual and temporary staff costs	–	9,300
Health and life insurance costs	8,724	7,618
	974,216	898,209

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2023 £	2022 £
£70,000 – £80,000	–	1
£80,000 – £90,000	1	–

The total employee benefits (including employer pension contributions and employer's national insurance) of the key management personnel were £389,537 (2022: £334,307). The organisation considers key management personnel to be the Chief Executive, Head of Charity, Finance Manager, Head of Marketing and Communications, Head of Support Services and Operations Manager.

No trustee remuneration was paid to any trustees during the year. Trustees' expenses were reimbursed to 3 (2022: 3) trustees during the year.

Trustees' expenses represents the payment or reimbursement of costs as follows:

	2023 £	2022 £
Travel and subsistence costs	3,563	4,779
Consultancy	5,319	–
	8882	4779

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2023 No.	2022 No.
Training	2.0	1.0
Competitions	4.0	3.2
Fundraising	3.0	3.0
Other central functions	15.0	14.2
	24.0	21.4

The full-time equivalent average number of employees during the year was as follows:

	2023 No.	2022 No.
Training	1.3	1.0
Competitions	3.4	3.2
Fundraising	3.0	3.0
Other central functions	12.0	13.2
	19.7	20.4

11 Related party transactions

Andrew James (Trustee) – payments of £480, (2022: £1,000) were made to Mrs K Treharne (daughter) for coaching within Pony Club branches. This was an arm's length transaction and Mr James has had no involvement in the procurement of coaches for any of the Pony Club Branches concerned. No balance is outstanding for these transactions at year end.

Tim Vestey (Trustee) – also a director of Thurlow Estate Farms Ltd (TEFL). Payments are made to TEFL for services provided and the use of facilities for Pony Club events £8,155 (2022: £4,753) and payments are also made by TEFL £nil (2022: £1,415) for the use of Pony Club cross country schooling facilities. At 31.12.23 TEFL was owed £1225 (2022: £nil) by the Pony Club in respect of the above transactions.

Aggregate donations from related parties were £nil (2022: £nil).

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary The Pony Club Trading Limited gift aids any available profits to the parent charity.

13 Intangible fixed assets**The group and charity**

Cost	CRM £	Website £	Total £
At the start of the year	432,195	68,113	500,308
Additions in year	–	24,000	24,000
At the end of the year	432,195	92,113	524,308
Amortisation			
At the start of the year	240,433	40,868	281,301
Charge for the year	72,171	13,623	85,794
At the end of the year	312,604	54,491	367,095
Net book value			
At the end of the year	119,591	37,622	157,213
At the start of the year	191,762	27,245	219,007

14 Tangible fixed assets**The group and charity**

Cost	Freehold land and property £	Computer equipment £	Motor vehicles £	Total £
At the start of the year	782,520	1,252,426	3,123,289	5,158,235
Additions in year	–	47,438	220,333	267,770
Disposals in year	–	(11,470)	–	(11,470)
At the end of the year	782,520	1,288,394	3,343,622	5,414,535
Depreciation				
At the start of the year	68,068	1,167,187	2,688,095	3,923,350
Charge for the year	2,760	37,664	145,443	185,867
Eliminated on disposal	–	(11,470)	–	(11,470)
At the end of the year	70,828	1,193,381	2,833,538	4,097,747
Net book value				
At the end of the year	711,692	95,012	510,084	1,316,788
At the start of the year	714,452	85,239	435,194	1,234,885

All of the above assets are used for charitable purposes.

A small number of Branches hold land which is not depreciated, the total value of freehold land is £615k (2022: £615K).

Notes to the financial statements

For the year ended 31 December 2023

15 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of The Pony Club Trading Limited, a company registered in England (Registered address Lowlands Equestrian Centre, Shrewley, Warwickshire CV35 7AX – company number 3294943). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2023 £	2022 £
Turnover	142,569	114,337
Cost of sales	(2,403)	(4,000)
Gross profit	140,166	110,337
Administrative expenses	(13,874)	(22,920)
Profit on ordinary activities before taxation	126,292	87,418
Taxation on profit on ordinary activities	–	–
Profit for the financial year	126,292	87,418
Retained earnings		
Total retained earnings brought forward	3,836	3,836
Profit for the financial year	126,292	87,418
Distribution under Gift Aid to parent charity	(126,292)	(87,418)
Total retained earnings carried forward	3,836	3,836
The aggregate of the assets, liabilities and reserves was:		
Assets	86,621	126,466
Liabilities	(82,783)	(122,628)
Reserves	3,838	3,838

Amounts owed to the parent undertaking are shown in notes 17.

16 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2023 £	2022 £
Gross income	13,064,305	12,486,450
Result for the year	449,885	508,959

Notes to the financial statements

For the year ended 31 December 2023

17 Debtors

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Trade debtors due after one year	68,497	68,497	68,497	68,497
Trade debtors due within one year	22,322	20,147	1,799	13,821
Amount owed by subsidiary undertaking	–	–	36,714	6,724
Prepayments and accrued income	375,993	351,819	372,723	351,819
	466,813	440,463	479,733	440,860

Trade debtors includes a long term debtor of £68,497 (2022: £68,497). This represents the ownership percentage that one of The Pony Club's branches has in a local riding school, measured at fair value. It is not anticipated to be sold within the next 12 months.

18 Short term deposits

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
HQ	2,018,901	–	2,018,901	–
Branches	60,091	60,091	60,091	60,091
	2,078,992	60,091	2,078,992	60,091

19 Cash at bank and in hand

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Central	855,268	2,379,646	855,268	2,379,646
Branches	5,441,157	5,441,128	5,441,156	5,441,128
Trading subsidiary	62,828	42,229	–	–
	6,359,252	7,863,002	6,296,423	7,820,773

20 Creditors: amounts falling due within one year

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	200,294	192,721	200,294	192,721
Taxation and social security	26,174	21,350	26,174	21,350
Other creditors	89,192	55,750	86,191	54,747
Accruals	90,803	113,293	90,803	110,793
Deferred income (note 22)	833,632	743,477	794,565	714,768
	1,240,095	1,126,590	1,198,026	1,094,379

21 Creditors: amounts falling due after one year

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Deferred income (note 22)	3,999	3,000	–	–
	3,999	3,000	–	–

Notes to the financial statements

For the year ended 31 December 2023

22 Deferred income

Deferred income comprises of income received for branch and centre membership and events taking place in the following financial year end.

	The group		The charity	
	2023	2022	2023	2022
	£	£	£	£
Balance at the beginning of the year	746,477	604,106	714,768	568,310
Amount released to income in the year	(746,477)	(604,106)	(714,768)	(568,310)
Amount deferred in the year	837,632	746,477	794,565	714,768
Balance at the end of the year	837,632	746,477	794,565	714,768

23a Analysis of group net assets between funds (current year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Intangible assets	157,213	–	–	157,213
Tangible fixed assets	16,018	1,300,770	–	1,316,788
Net current assets	1,930,503	5,664,451	66,010	7,660,963
Net assets at 31 December 2023	2,103,733	6,965,221	66,010	9,134,964

23b Analysis of group net assets between funds (prior year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Intangible assets	219,007	–	–	219,007
Tangible fixed assets	14,374	1,220,511	–	1,234,885
Net current assets	1,446,268	5,765,203	22,497	7,233,968
Net assets at 31 December 2022	1,679,649	6,985,714	22,497	8,687,860

24a Movements in funds (current year)

	At 1 January 2023	Income & gains	Expenditure & losses	Transfers	At 31 December 2023
	£	£	£	£	£
Restricted funds:					
Sport England	15,944	5,950	(4,025)	–	17,869
Other funds	6,553	17,150	(6,562)	31,000	48,141
Total restricted funds	22,497	23,100	(10,587)	31,000	66,010
Unrestricted funds:					
Branch / Area funds	6,985,714	10,609,924	(10,599,417)	(31,000)	6,965,221
Designated funds	6,985,714	10,609,924	(10,599,417)	(31,000)	6,965,221
Non charitable trading	6,616	16,277	(16,277)	–	6,616
General funds	1,673,034	2,415,077	(1,990,995)	–	2,097,117
General unrestricted funds	1,679,650	2,431,354	(2,007,271)	–	2,103,733
Total unrestricted funds	8,665,364	13,041,279	(12,606,688)	(31,000)	9,068,954
Total funds	8,687,860	13,064,379	(12,617,275)	–	9,134,964

The narrative to explain the purpose of each fund is given at the foot of the note below.

24b Movements in funds (prior year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Restricted funds:					
Sport England	28	20,000	(4,084)	–	15,944
Other funds	3,760	7,551	(4,758)	–	6,553
Total restricted funds	3,788	27,551	(8,842)	–	22,497
Unrestricted funds:					
Branch / Area funds	6,993,594	10,304,132	(10,312,013)	–	6,985,714
Designated funds	6,993,594	10,304,132	(10,312,013)	–	6,985,714
Non charitable trading	3,833	29,702	(26,920)	–	6,616
General funds	1,174,905	2,154,766	(1,656,637)	–	1,673,034
General unrestricted funds	1,178,738	2,184,469	(1,683,557)	–	1,679,650
Total unrestricted funds	8,172,332	12,488,601	(11,995,569)	–	8,665,364
Total funds	8,176,120	12,516,152	(12,004,411)	–	8,687,860

Purposes of restricted funds

Other funds represent funds received by individual branches or headquarters for specific projects as defined by the donor.

Purposes of designated funds

Branch funds represent accumulated reserves of the individual Branches and Areas of The Pony Club. Although these reserves form part of the unrestricted funds of The Pony Club, Trustees recognise that in normal circumstances the funds will be used by the individual Branches to further the objectives of The Pony Club within their geographical area of activity. New designations represent income during the year and utilised funds represent expenditure for the year.

Non charitable trading funds are the reserves of the trading subsidiary.

25 Operating lease commitments payable as a lessee

The group's and the charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2023	2022	2023	2022
	£	£	£	£
Less than one year	35,305	29,500	366	366
One to five years	65,551	24,583	671	1,037
	100,856	54,083	1,037	1,403

26 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The members of the company are the trustees named on page 2, plus the members of the Equestrian Council and the Branch Operations Directors. The liability of each member in the event of winding up is limited to £1.

THE PONY CLUB

England & Wales - Charity number 1050146

Accounts

Company number: 03072475
Charity Number: 1050146

The Pony Club

Report and consolidated financial statements
For the year ended 31 December 2022

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For the year ended 31 December 2022

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The Pony Club

Reference and administrative information

For the year ended 31 December 2022

Company number	030702475
Country of incorporation	United Kingdom
Charity number	1050146
Country of registration	England and Wales

Registered office and operational address	The Pony Club Lowlands Equestrian Centre Old Warwick Road Shrewley Warwickshire CV35 7AX
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Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:
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Mr T R G Vestey	Chairman
Mrs C M G Valori	Vice Chairman
Mr N J Howlett	Treasurer
Ms J E Baynes	
Mrs D Custance-Baker	(Resigned December 2022)
Mr P W Freedman	
Mr A W James	
Mrs E P Lowry	
Mrs H Jackson	(Appointed January 2023)

Key management personnel	Mr Marcus Capel	Chief Executive
	Ms Heidi Lockyer	Head of Charity
	Ms Sue Woolnough	Head of Finance
	Mrs Beryl Stringer	Head of Membership and Technology
	Ms Michelle Tomkinson	Head of Marketing (appointed December 2022)

Bankers	Barclays Bank Plc 105 The Parade, Leamington Spa, CV32 4AZ
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Solicitors	DWF LLP One Snowhill, Birmingham, B4 6GA
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Auditor	Sayer Vincent LLP Chartered Accountant and Statutory Auditor Invicta House, 108-114 Golden Lane, London, EC1Y 0TL
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The Pony Club

Trustees' annual report

For the year ended 31 December 2022

The Trustees present their report and the audited financial statements for the year ended 31st December 2022.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102. This trustees' annual report includes a directors' report as required by company law.

Objectives and Activities

The Pony Club Charitable Purpose is:

To promote and advance the education and understanding of the public and particularly children and young people, in all matters relating to horsemanship and the horse.

To encourage the development of sportsmanship, unlocking potential by building resilience, confidence, teamwork and leadership skills.

To support and develop the volunteering network to strengthen The Pony Club community and sustain life-long engagement with equestrianism.

The Pony Club Strategic Objectives are:

Membership

- To grow membership by 10% by 2025
- To demonstrate the social, sporting and leadership impact of The Pony Club
- To contribute to British Equestrian's initiative to improve diversity within equestrian sport.
- To develop global opportunities for members, coaches and volunteers within The Pony Club International Alliance, the Euro Pony Club and our overseas Branches and Centres

Charity

- To raise the profile of The Pony Club and emphasise its charitable status.
- To be the leading provider of horsemanship education and training for children and young people in the UK.
- To communicate The Pony Club's contribution to society in order to build visibility, trust and respect.
- To teach children and young people the skills they need for a horse or pony in their care to thrive.
- To ensure responsible horse ownership and management is at the forefront of our riding activities and to embed the mental, physical and emotional requirements of the horse in all training activity.
- To be inclusive and accessible to children and young people from all walks of life.

The Pony Club

Trustees' annual report

For the year ended 31 December 2022

Volunteers

- To ensure that The Pony Club is the organisation of choice for people wishing to support children and young people in an equestrian setting.
- To enhance the reputation of The Pony Club as the most trusted and rewarding volunteer organisation in equestrianism in the UK.
- To promote the concept of One Pony Club across our whole community.

Sustainability

- To maintain a sustainable financial framework with appropriate infrastructure.
- To attract and retain sufficient capable and motivated people (staff and volunteers) to meet the needs of our organisation.
- To operate within an appropriate legal and regulatory framework.
- To nourish The Pony Club Governance structure, providing informed, transparent decisions and clear communications.

Achievements in 2022 are assessed as follows:

Membership

The growth in membership numbers achieved during in 2021 disappointingly could not be sustained in 2022, albeit membership numbers at least remained constant. By giving careful consideration to affordability when setting the level of membership and competition fees, the Trustees continue their endeavours to enhance the accessibility and diversity of The Pony Club. British Equestrian has recently released the findings of an independently commissioned report which will guide Pony Club diversity and inclusion strategies in the years to come. Jim Eyre, British Equestrian CEO summarised the report as follows: "The report made for tough reading in places but overall, there were some very positive messages around the value, benefits and latent demand of equestrian. We can now turn these into meaningful change and use as part of our wider commitment around social impact across the equestrian industry..... We face a long journey but it's one we must take to ensure we remain relevant and we have a vibrant equestrian community free from discrimination."

Two appointed youth council members now join regular meetings of the Pony Club International Alliance, seeking opportunities for international collaboration. Four UK members and a chaperone participated in a memorable ten-day Thanksgiving Exchange in North and South Carolina during the year, alongside four members of the Irish Pony Club and four more drawn from the USA.

Charity

The primary aim of every Branch and Centre is to teach Members to ride and care for their horse or pony at rallies and camps.

The Pony Club runs a formal efficiency test scheme from E through to A, which has been reviewed during the course of 2022 to ensure the tests remain relevant, and at the higher levels are formally

The Pony Club

Trustees' annual report

For the year ended 31 December 2022

recognised coaching standards enabling test holders to enter the world of work and earn a living by teaching children to ride.

The Pony Club also awards achievement badges which recognise and reward the acquisition of knowledge relating to individual aspects of pony care, first aid, farming, the natural world and various equestrian sports, thereby helping Members learn and develop. The Pony Club monitors tests taken and badges awarded as measures of its success as a training organisation. In 2022 circa 7,653 (2021: c4,600) members passed one or more efficiency tests, while 14,289 (2021:12,822) achievement badges were awarded. No test is compulsory. Online learning material continues to be developed so members can study in their own time as well as join Branch, Centre and regional learning. The Training Committee, the Health & Safety, Safeguarding and Horse Welfare Advisory Committee and the Rules and Compliance Committee continue to ensure training materials reflect the latest developments in human and horse well-being and welfare.

Members can compete as individuals or in teams in competitions against other branches or centres. The ability to deal with success and failure both individually and as a team member is central to the ethos of The Pony Club and is a fundamental life skill. Local and Regional competitions act as qualifying rounds for annual, national and/or international championships. The Pony Club Championships were successfully staged for the second year at Offchurch Bury near Leamington Spa, attracting some 3000 competitors over the ten days of competition. The Pony Club competition schedule seeks to impart to members the skills required for competitive careers in the nine competitive sports supported by The Pony Club, namely Show Jumping, Eventing, Dressage, Mounted Games, Tetrathlon, Polocrosse, Polo, Pony Racing and Endurance.

All coaches are accredited and must partake in training, an approval process and continuing professional development. The Pony Club encourages Members to aspire to become coaches and has a well-established coaching development programme. This virtuous circle benefits both The Pony Club and its Members, providing further skills and the opportunity to generate income as an instructor. Many Members graduate to careers in the equestrian sphere and the grounding they gain in The Pony Club is well respected. Hard work, team work, horsemanship, sportsmanship and high standards of riding and teaching set Pony Club members apart. Current and past members are professional riders, veterinary surgeons and nurses, horse dentists, farriers, grooms and work in diverse roles in the racing industry. The skills learned in The Pony Club are also transferable to careers outside the equestrian world.

Volunteers

The Pony Club remains hugely indebted to the unpaid officials who run the affairs of its Branches and to the many thousands of volunteers who assist in activities staged by branches. Volunteers are also the mainstay of the Pony Club Championships. The Pony Club recognises volunteers who serve the Pony Club for 20 years or more through its Cubitt Award Programme and exceptional service is recognised through the recently introduced Cherry Awards, named in memory of past Chairman Cherry Mitchell. It also seeks to encourage young people to volunteer in the equestrian sector and to facilitate the attainment of Duke of Edinburgh Awards through Pony Club

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participation. To this end, a growing number of members participate in YELA (Young Equestrian Leader Award), 2022: 399 (2021: 303).

The spectrum of Pony Club members, parents, coaches, centre proprietors and volunteers is multi-generational and family based, often engaging several generations of the same family in one place or at one event. The culture of volunteering remains extraordinarily strong and the sense of belonging to and ownership of The Pony Club pervades all parts of this spectrum.

The governance of The Pony Club and its volunteering network has been enhanced by the appointment of two staff members who schedule all volunteer committee meetings, record topics debated and decisions made and communicate meeting minutes to the wide network of volunteers engaged in Pony Club activities. Two more staff now specifically engage with volunteer recruitment, induction, training and awards, which is again providing dividends. The improved understanding of defined strategic objectives by staff and volunteers alike, coupled with the effective deployment of staff to support volunteers and volunteering is enhancing the sense of working towards a common cause, whether as a volunteer or as a paid member of staff.

Sustainability

The Pony Club again delivered a strong financial performance during 2022, which has enabled us to rebuild central reserves to levels which will provide an adequate financial buffer should disease outbreak or pandemic ever disrupt our activities again, thereby imparting confidence to staff and volunteers alike.

Further evolution and refinement of our membership database, Pelham, occurred during 2022, enabling analysis of membership trends and participation levels. Event entry systems are now able to access and exchange information with Pelham, which will provide a gear change in terms of usability, membership and coach record keeping and competition results. The information held by and accessible from Pelham has never been available before and will provide statistical and analytical benefits at an eminently affordable cost in years to come.

Beneficiaries of our services

The main beneficiaries of The Pony Club are the Members who continue to develop as riders and learn about the care and welfare of horses and ponies. The Pony Club continues to be an efficient, trusted and relevant organisation focused on supporting children and young people in the equestrian world.

Developing rounded, well-educated Members also benefits the wider equestrian sector by providing knowledgeable candidates for careers in horse related spheres. It is notable that a high percentage of those shortlisted to represent Great Britain in equestrian sports in the 2021 Tokyo Olympics were ex-Pony Club members. Nevertheless, irrespective of competitive prowess, the skills imparted by The Pony Club of teamwork, sportsmanship, horsemanship, kindness, resilience,

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dedication and independent thought are valuable life skills for all members. Many friendships gained through participation in Pony Club activities endure for life.

Financial review

The consolidated financial statements including The Pony Club and its subsidiary trading company (The Pony Club Trading Ltd) for the year ended 31 December 2022 are presented. The financial statements comply with all statutory requirements and the requirements of The Pony Club's Memorandum and Articles of Association.

The Pony Club recorded a surplus for the year of £511k (2021: £785k). Income from subscriptions grew to £2,600k (2021: £2,337k), training to £5,899k (2021: £5,166k) and competitions to £2,663k (2021: £2,548k). Total income increased to £12,500k (2021: £11,246k). Expenditure on training stood at £8,313k (2021: £7,163k) and on competitions at £3,204k (2021: £2,887k). Total expenditure increased to £11,988k (2021: £10,460k). Careful cost control means that an acceptable surplus for the year has again been achieved, enabling us to increase the central reserves to more appropriate levels.

Our database management system, Pelham, has been live since late 2020. £42k was spent on further developing the database system during the year and this will continue in 2023 as we continue to increase functionality and compatibility with third party event entry systems. Amortisation of £56k was recognised during 2022. The database management system remains as an intangible asset with a capitalised value of £192k.

A large proportion of The Pony Club's net assets are held by Branches and are used by them for the benefit of Members. Branch funds have been treated as designated funds in the Balance Sheet. All assets are available to fulfil the obligations of The Pony Club in the future. Movements in tangible fixed assets are detailed in note 13.

Principal risks and uncertainties

The Trustees consider the following to be the principal risks and uncertainties facing The Pony Club and have taken the following steps to address them:

Contagious Viruses and Diseases

Disease or pandemic within the human or equine population, particularly if accompanied by government restrictions on human or equine interaction, could impact in a materially adverse manner on membership activities. Cost control is paramount should such an event occur again.

Loss of Membership

Membership has bucked the historical trend of decline by demonstrating stability or growth since 2020. The Trustees and the Senior Leadership team continue to pursue a strategy to attract new and to retain existing members. Nevertheless, a significant loss of members would translate into a reduction in income and provide renewed challenges to the continued operation of The Pony Club.

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Loss of volunteers and associated knowledge, experience and skills.

The Pony Club is heavily reliant on volunteers. It recognises and supports its volunteers both at local, regional and national level. However, committing time to Pony Club volunteering becomes harder for many each year. The use of technology to assist the staging of events is increasingly in evidence, which serves to alleviate some of the demands historically made of volunteers.

Adverse publicity and reputational damage

There is a risk that the activities of employees, volunteers, members and members' families could bring the organisation adverse publicity. This risk is minimised by training for volunteers, staff and members and by promoting readily accessible codes of conduct. Potentially damaging behaviour is dealt with promptly with support from senior volunteers and employees where necessary.

Reliance on Information Technology

The reliance on information technology presents an inevitable risk to The Pony Club. Investment in the new membership database, maintaining cyber security and complying with GDPR regulations continued throughout 2022 and will be an on-going feature of and cost to the business in future years.

Financial

The Pony Club is exposed to financial risks as a result of its day to day activities and could potentially face financial losses from events, legal action or loss of members. To manage these risks The Pony Club holds insurance policies and monitors its reserves carefully. The Pony Club Trustees have continued to strengthen central reserves in 2022 to facilitate robust financial health and to cope with as many foreseeable and un-foreseeable risks, costs or losses as possible.

Reserves Policy and going concern

At 31 December 2022, the unrestricted funds of the Charity totalled £8,665k (2021: £8,172k). Of this sum £6,986k (2021: £6,994k) represents funds held by Branches and Areas leaving £1,673k held in central reserves (2021: £1,175k) and £7k (2021: 4k) held by The Pony Club Trading Limited.

The Pony Club Office needs to fund working capital and in order to be able to address unforeseen risks and circumstances the Trustees believe that the unrestricted reserves retained centrally should equate to between six to twelve month's expenditure. Office expenditure during the year amounted to £1,484k , (2021: 2,104k) so total central reserves were equivalent to 10.5 months expenditure (2021: 6.5 months).

The Trustees conclude that it is appropriate to treat The Pony Club as a going concern.

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Plans for the future

The Strategy for 2020 – 2025 with the four defined pillars of Members, Charity, Volunteers and Sustainability is the framework within which The Pony Club will operate for the next five years. Membership growth will be dependent on the retention of existing members and recruitment of new members.

As the environment in which we operate continues to be challenging, the principles and objectives contained in the strategy will ensure that The Pony Club continues to be an efficient, trusted and relevant organisation focused on supporting children and young people in the equestrian world.

The Pony Club remains a vibrant organisation at branch level and many branches provide outstanding training and social opportunities. The skills acquired by young people at Pony Club rallies, camps and training as well as in competitive situations equip members for life beyond Pony Club.

Structure, governance and management

The Pony Club is a charitable company limited by guarantee, incorporated in England and Wales on 26 June 1995 and registered as a charity on 1 January 1997. The company is established under a Memorandum of Association which defines the objects and powers of the charitable company and is governed under its Articles of Association.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

The Pony Club derives its income from member subscriptions, sponsorship and entry fees from events. It does not engage in public fundraising activities by professional fund raisers or commercial participators. The Pony Club Branches are well supported by many generous individuals and volunteers who organise fund raising events to raise money locally for Branches of the Pony Club in a variety of ways. The Pony Club observes and complies with the relevant fundraising regulations and codes. During the year there was no non-compliance of these regulations and codes and The Pony Club received no complaints relating to its fundraising practice. We are committed to ensuring that no vulnerable person feels subject to unreasonable intrusion of privacy or consistent or undue pressure to donate.

The Pony Club Trading Limited was incorporated in England and Wales on 16 December 1996, as a wholly owned subsidiary of The Pony Club. The results of that company are consolidated within these financial statements.

The charitable aims are delivered via a network of some 320 geographically spread Branches and approximately 300 Centres in Great Britain and Northern Ireland. Some 22,000 children up to the age of 25 subscribe as Pony Club Branch members, whilst approaching 10,000 subscribe as Centre members. Branches and Centres are overseen by 19 Area Representatives, volunteers who assist in

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the administration of Branch and Centre activities in their geographical area, troubleshoot as required, and are on hand to disseminate advice, help and best practice. They also organise a set of Area competitions each year and coordinate the calendar of events in their Area.

Each Branch is run by a volunteer committee, chaired by a District Commissioner. Branches organise training sessions known as rallies for their members, alongside a diverse range of other educational and social activities. Organisation of rallies, training activities and local competitions is generally volunteer-led, whilst specific equestrian instruction is generally delivered by paid, freelance instructors. Members who own their own horse or pony pay a subscription to join the Branch, and a fee to attend rallies and other training and competitive events. The nine equestrian Sports recognised and promoted by the Pony Club organise competitive activities, starting at a local level and culminating for most sports in annual National Championships. Branches are semi-autonomous, with responsibility for their own profitability and financial well-being, and account to the parent regarding levels of participation in their ridden training and competitive activities, Test achievements, Achievement Badge awards and their financial health. The Pony Club remains a vibrant organisation at branch level and many branches provide outstanding training and social opportunities. The skills acquired by young people at Pony Club rallies, camps and training as well as in competitive situations equip members for life beyond Pony Club.

Centre membership is available to children and young adults who do not own their own horse but hire a horse or pony from a Riding Centre linked to The Pony Club. Many who are from urban backgrounds or unable to afford to own their own horse find the Centre option very appealing. Pony Club Centre membership provides access to Pony Club insurance, training, educational and competitive events.

The Pony Club is governed by its Articles of Association and a Governance Document which defines the relationship between volunteers and an executive team of 22 based in an office in Warwickshire. Ultimate responsibility for decision making resides with the volunteer Trustees, who oversee the composition and roles of the volunteer committees responsible for Finance, IT, Governance, Sports, Training, Health, Safety and Safeguarding, Horse Welfare, Volunteering and miscellaneous other Pony Club activities. The Pony Club has a clear set of rules defining the relationship between the parent and associated Branches and Centres, and the conduct required at all levels of the organisation. In accordance with the provisions of the Memorandum and Articles of Association of The Pony Club, no remuneration is paid to any of the Trustees. Volunteers receive reimbursement of reasonable expenses.

The Trustees review the aims, objectives and activities of The Pony Club each year. This report looks at what The Pony Club has achieved and the outcomes of its work in the reporting period. The Trustees report the success of each key activity and the benefits The Pony Club has brought to the people that it is set up to help. The review also helps the Trustees ensure The Pony Club's aims, objectives and activities remain focussed on its stated purpose.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing The Pony Club's aims and objectives and in planning

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its future activities. In particular the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

Governance

The Board of Trustees is the ultimate authority of The Pony Club. Reporting to the Board are the Management Committee and the Chief Executive.

The Management Committee is responsible for the full range of equestrian activities, including Branch and Centre Membership, tack, dress, tests and competitions. The Trustees delegate their functions relating to equestrian activities of The Pony Club to committees. These committees are Training, Health & Safety, Safeguarding and Horse Welfare, Centre Membership, Eventing, Show Jumping, Dressage, Mounted Games, Tetrathlon, Polo, Polocrosse, Endurance and Pony Racing. Each Committee generally appoints two Area Representatives to be committee members.

The Chief Executive is an employee of The Pony Club, responsible for administering the activities of The Pony Club and the Office within the policies and procedures established by the Board of Trustees and the Management Committee, and in accordance with statutory requirements and the approved budget.

Third Party Indemnity Insurance is in place in respect of the Trustees (as directors of the company).

Appointment of Trustees

Trustees of the charity are also company directors as a matter of company law.

In accordance with the Articles of Association of The Pony Club, the Board of Trustees is responsible for the appointment of Trustees. Any Trustee appointed by the Board will hold office until the next AGM or EGM, at which the Members of The Pony Club determine whether to re-appoint them as Trustees for a three-year term. Two Trustees are appointed by the Area Representatives. The Board of Trustees also nominates the Treasurer of The Pony Club and a Trustee to represent Centre members. Trustees are eligible for reappointment, subject to a maximum term of nine years.

When there are Trustee vacancies, these are advertised and applications are invited. The Trustees then review the applications and appoint new Trustees in line with the Articles of Association.

Trustee Induction and training

New Trustees attend a training day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the strategic plan, and the recent financial performance of the charity. During the induction day they meet key employees.

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Related parties and relationships with other organisations

The Pony Club has a wholly owned subsidiary undertaking, The Pony Club Trading Limited.

Remuneration policy for key management personnel

Remuneration of key management personnel is set by the Board of Trustees.

Statement of responsibilities of the Trustees

The Trustees (who are also directors of The Pony Club for the purposes of company law) are responsible for preparing the Trustees' Annual 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 or group 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom

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governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31st December 2022 was 36 (2021: 36). The Trustees are Members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report which includes the strategic report was approved by the Trustees on 22nd June 2023 and signed on their behalf by

T R G Vestey
Chairman

Opinion

We have audited the financial statements of The Pony Club (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2022 and of the group'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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Pony Club's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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.

Opinions 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 trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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, 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 parent charitable company'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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management and the Finance Committee, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;

Independent auditor's report

to the Members of

The Pony Club

- Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditor's report

to the Members of

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Use of our report

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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fleur Holden (Senior statutory auditor)

17 July 2023

for and on behalf of Sayer Vincent LLP, Statutory Auditor
Invicta House, 108–114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Pony Club

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2022

		2022					2021
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Restated Total £
Income from:							
Donations and legacies	2	711,023	20,000	731,023	588,744	48,185	636,929
Charitable activities							
Subscriptions	3	2,600,300	–	2,600,300	2,337,183	–	2,337,183
Training	3	5,899,483	–	5,899,483	5,166,839	–	5,166,839
Competitions	3	2,662,843	–	2,662,843	2,548,904	–	2,548,904
Other trading activities	4	114,337	–	114,337	154,346	–	154,346
Investments	5	6,736	–	6,736	4,489	–	4,489
Other	6	477,827	7,551	485,378	397,444	–	397,444
Total income		12,472,550	27,551	12,500,100	11,197,949	48,185	11,246,134
Expenditure on:							
Raising funds	7a	470,170	–	470,170	408,928	–	408,928
Charitable activities							
Training	7a	8,305,052	8,842	8,313,894	7,090,416	73,581	7,163,997
Competitions	7a	3,204,296	–	3,204,296	2,887,833	–	2,887,833
Total expenditure		11,979,518	8,842	11,988,360	10,387,177	73,581	10,460,758
Net income / (expenditure) for the year	8	493,031	18,709	511,740	810,772	(25,396)	785,376
Transfers between funds		–	–	–	–	–	–
Net movement in funds		493,031	18,709	511,740	810,772	(25,396)	785,376
Reconciliation of funds:							
Total funds brought forward		8,172,332	3,788	8,176,120	7,361,560	29,184	7,390,744
Total funds carried forward		8,665,364	22,497	8,687,860	8,172,332	3,788	8,176,120

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 24a to the financial statements.

The Pony Club

Balance sheets

Company no. 03072475

As at 31 December 2022

		The group		The charity	
	Note	2022 £	2021 £	2022 £	2021 £
Fixed assets:					
Intangible assets	13	219,007	247,189	219,007	247,189
Tangible assets	14	1,234,885	1,202,447	1,234,885	1,202,447
Investment in subsidiary undertaking	15	–	–	2	2
		1,453,893	1,449,637	1,453,895	1,449,639
Current assets:					
Debtors	17	440,463	607,143	440,860	665,231
Short term deposits	18	60,091	60,091	60,091	60,091
Cash at bank and in hand	19	7,863,003	7,168,179	7,820,773	7,066,906
		8,363,557	7,835,413	8,321,725	7,792,228
Liabilities:					
Creditors: amounts falling due within one year	20	1,129,590	1,108,930	1,094,379	1,069,584
		7,233,967	6,726,483	7,227,346	6,722,643
Net current assets					
		8,687,860	8,176,120	8,681,240	8,172,281
Total net assets					
		8,687,860	8,176,120	8,681,240	8,172,281
Funds:	23a				
Restricted income funds		22,497	3,788	22,497	3,788
Unrestricted income funds:					
Designated funds		6,985,714	6,993,594	6,985,714	6,993,594
Non-charitable trading funds		6,616	3,833	–	–
General funds		1,673,034	1,174,905	1,673,029	1,174,899
Total unrestricted funds		8,665,364	8,172,332	8,658,743	8,168,493
Total funds		8,687,860	8,176,120	8,681,240	8,172,281

Approved by the trustees on 22 June 2023 and signed on their behalf by

T R G Vestey
Chairman

The Pony Club

Consolidated statement of cash flows

For the year ended 31 December 2022

	2022		2021	
	£	£	£	£
Cash flows from operating activities				
Net income for the reporting period	511,740		785,376	
(as per the statement of financial activities)				
Depreciation charges	251,756		289,119	
Loss on disposal of fixed assets	11,775		861	
Amortisation	70,082		70,082	
Interest on short term deposits	(6,736)		(4,489)	
Decrease in stock	–		160,984	
Decrease / (increase) debtors	166,680		(98,080)	
Increase in creditors	20,660		38,463	
Net cash provided by operating activities	1,025,956		1,242,315	
Cash flows from investing activities:				
Interest on short term deposits	6,736		4,489	
Purchase of fixed assets	(295,970)		(313,270)	
Purchase of intangible assets	(41,900)		–	
Net cash used in investing activities	(331,134)		(308,780)	
Change in cash and cash equivalents in the year	694,823		933,535	
Cash and cash equivalents at the beginning of the year	7,228,270		6,294,735	
Cash and cash equivalents at the end of the year	7,923,093		7,228,270	
Analysis of cash and cash equivalents				
	At 1 January		Other	At 31
	2022	Cash flows	changes	December
	£	£	£	2022
				£
Short term deposits	60,091	–	–	60,091
Cash at bank and in hand	7,168,179	694,823	–	7,863,002
Total cash and cash equivalents	7,228,270	694,823	–	7,923,093

1 Accounting policies

a) Statutory information

The Pony Club is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Lowlands Equestrian Centre, Shrewley, Warwickshire CV35 7AX.

b) Basis of preparation

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 (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary The Pony Club Trading Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below. The accounts are prepared as full values however are presented to the nearest £1. This may cause small discrepancies in the financial statements

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Sufficient reserves are held centrally and across the organisation and the trustees have reviewed a rolling 24 months cash flow forecast in order to make this judgement which show no significant risk to the going concern position.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been left to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Accounting for Branches and Areas

Accounting for Branches and Areas is done on a 'cash accounting basis' with any single debtor or creditor in excess of £5k being accounted for. All purchases and disposals of fixed assets are recorded and a central fixed asset register is maintained.

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of training, competition and supporting activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity based upon their proportional incomes.

j) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on revenue.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of revenue for each activity.

- | | |
|-----------------|-----|
| • Raising funds | 10% |
| • Training | 60% |
| • Competitions | 30% |

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Intangible assets

Items are capitalised where intangible assets generated exceed the value of £1,000. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Intangible assets will be amortised over a straight line basis over 5 years.

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (continued)

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Freehold buildings	over 50 years
● Motor vehicles and caravans	over 4 years
● Fixtures and fittings	over 3 to 5 years
● Computer equipment	over 2 years
● Course equipment	over 1 to 10 years
● Improvements to leasehold property	over the life of the lease

n) Investments in subsidiaries

Investments in subsidiaries are at cost.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

t) Defined pension contribution scheme

Pension contributions are charged to income as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.

Notes to the financial statements

For the year ended 31 December 2022

2 Income from donations and legacies

	2022			2021 Restated		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Donations income	43,251	–	43,251	4,774	–	4,774
BEF Grant Income	–	20,000	20,000	–	48,185	48,185
Branch fundraising income	667,773	–	667,773	583,970	–	583,970
	<u>711,023</u>	<u>20,000</u>	<u>731,023</u>	<u>588,744</u>	<u>48,185</u>	<u>636,929</u>

3 Income from charitable activities

	2022			2021 Restated		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Branch subscriptions	1,782,186	–	1,782,186	1,626,997	–	1,626,997
Branch gift aid	326,605	–	326,605	315,132	–	315,132
Centre subscriptions	389,446	–	389,446	292,661	–	292,661
Centre gift aid	63,741	–	63,741	53,151	–	53,151
Centre affiliation fees	36,096	–	36,096	41,302	–	41,302
Overseas Branch affiliation fees	2,225	–	2,225	7,940	–	7,940
Sub-total for Subscriptions	<u>2,600,300</u>	<u>–</u>	<u>2,600,300</u>	<u>2,337,183</u>	<u>–</u>	<u>2,337,183</u>
Central training income	64,720	–	64,720	73,101	–	73,101
Branches training income	5,649,844	–	5,649,844	4,966,585	–	4,966,585
Areas training income	184,919	–	184,919	127,152	–	127,152
Sub-total for Training	<u>5,899,483</u>	<u>–</u>	<u>5,899,483</u>	<u>5,166,839</u>	<u>–</u>	<u>5,166,839</u>
Central competition income	437,766	–	437,766	403,490	–	403,490
Branches competition income	1,954,273	–	1,954,273	1,807,623	–	1,807,623
Areas competition income	270,803	–	270,803	337,791	–	337,791
Sub-total for Competitions	<u>2,662,843</u>	<u>–</u>	<u>2,662,843</u>	<u>2,548,904</u>	<u>–</u>	<u>2,548,904</u>
Total income from charitable activities	<u>11,162,626</u>	<u>–</u>	<u>11,162,626</u>	<u>10,052,926</u>	<u>–</u>	<u>10,052,926</u>

4 Income from other trading activities

	2022			2021 Restated		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Sponsorship, sale of merchandise and commission	114,337	–	114,337	154,346	–	154,346
	<u>114,337</u>	<u>–</u>	<u>114,337</u>	<u>154,346</u>	<u>–</u>	<u>154,346</u>

Notes to the financial statements

For the year ended 31 December 2022

5 Income from investments

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Total £
Central bank interest received	40	–	40	–	–	–
Branches bank interest received	6,696	–	6,696	4,489	–	4,489
	6,736	–	6,736	4,489	–	4,489

6 Other income

	Unrestricted £	Restricted £	2022 Total £	Unrestricted £	Restricted £	2021 Restated Total £
Central other income received	26,535	–	26,535	48,497	–	48,497
Branches other income received	390,758	7,551	398,308	328,607	–	328,607
Areas other income received	60,534	–	60,534	20,339	–	20,339
	477,827	7,551	485,378	397,444	–	397,444

Other Income does not include any Trading activity and is made up largely of income received for trips and other ancillary events organised by the Branch for the benefit of their members.

The Pony Club

Notes to the financial statements

For the year ended 31 December 2022

7a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities		Governance costs £	Support costs £	2022 Total £	2021 Total £
		Training £	Competitions £				
Costs of camps, rallies and other training events	-	6,196,458	-	-	-	6,196,458	5,212,187
Costs of competitions	-	-	2,114,449	-	-	2,114,449	1,878,474
Centre membership	-	94,550	-	-	-	94,550	70,670
Branch costs	151,746	910,474	455,237	-	-	1,517,457	1,191,286
Public liability insurance	-	187,780	84,758	-	-	272,538	220,570
Fundraising and publicity	170,043	-	-	-	-	170,043	123,030
Staff payroll, pension, ers NI, Life and health and temp staff	-	34,349	104,710	44,323	697,909	881,291	786,037
Irrecoverable VAT	-	-	-	-	16,918	16,918	16,704
Depreciation	-	-	-	-	146,218	146,218	73,030
Premises costs	-	-	-	-	320,437	320,437	360,014
Office costs	-	-	-	-	14,999	14,999	292,965
Other expenses	-	-	-	-	63,338	63,338	64,549
Legal and professional	-	-	-	105,277	74,387	74,387	90,365
	-	-	-	-	-	105,277	80,878
	-	-	-	-	-	-	-
	321,789	7,423,611	2,759,154	149,600	1,334,205	11,988,359	10,460,758
Governance costs	14,960	89,760	44,880	(149,600)	-	-	-
Support costs	133,421	800,523	400,262	-	(1,334,205)	-	-
Total expenditure 2022	470,170	8,313,894	3,204,296	-	-	11,988,359	

The Pony Club

Notes to the financial statements

For the year ended 31 December 2022

7b Analysis of expenditure (prior year)

	Charitable activities					2021 Total £
	Cost of raising funds £	Training £	Competitions £	Governance costs £	Support costs £	
Costs of camps, rallies and other training events	-	5,211,831	-	-	-	5,212,187
Costs of competitions	-	-	1,878,474	-	-	1,878,474
Centre membership	-	70,670	-	-	-	70,670
Branch costs	119,985	719,910	359,955	-	-	1,191,286
Public liability insurance	-	145,576	74,994	-	-	220,570
Fundraising and publicity	123,030	-	-	-	-	123,030
Staff payroll, pension, ers NI,	-	19,168	132,794	34,330	595,377	786,037
Life and health and temp staff	-	-	-	-	16,704	16,704
Irrecoverable VAT	-	-	-	-	73,030	73,030
Depreciation	-	-	-	-	360,014	360,014
Premises costs	-	-	-	-	292,965	292,965
Office costs	-	-	-	-	63,027	64,549
Other expenses	-	-	-	-	88,045	90,365
Legal and professional	-	-	-	80,878	-	80,878
	243,015	6,167,155	2,446,217	115,208	1,489,162	10,460,758
Governance costs	11,521	69,125	34,562	(115,208)	-	-
Support costs	148,916	893,497	446,749	-	(1,489,162)	-
Total expenditure 2021	403,452	7,129,777	2,927,528	-	-	10,460,758

Notes to the financial statements

For the year ended 31 December 2022

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2022 £	2021 £
Depreciation	251,756	289,119
Loss on Disposal of Fixed Assets	11,775	861
Amortisation	70,082	70,082
Impairment	-	-
Operating lease rentals:		
Property	29,013	67,333
Other	3,803	4,490
Auditor's remuneration (excluding VAT):		
Audit	22,350	20,000
Other services	1,340	1,300
	<u>251,756</u>	<u>289,119</u>

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

Staff costs were as follows:

	2022 £	2021 £
Salaries and wages	750,254	668,082
Social security costs	78,184	65,243
Employer's contribution to defined contribution pension schemes	52,853	48,345
Casual and temporary staff costs	9,300	7,550
Health and life insurance costs	7,618	9,154
	<u>898,209</u>	<u>798,374</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2022 £	2021 £
£70,000 – £80,000	1	1

The total employee benefits (including employer pension contributions and employer's national insurance) of the key management personnel were £334,307 (2021: £303,921). The organisation considers key management personnel to be the Chief Executive, the Deputy Chief Executive, Finance Manager, Head of Marketing, Head of Membership and Technology and Operations Manager.

No trustee remuneration was paid to any trustees during the year. Trustees' expenses were reimbursed to 3 (2021: 2) trustees during the year.

Trustees' expenses represents the payment or reimbursement of costs as follows:

	2022 £	2021 £
Travel and subsistence costs	4,779	1,387

Notes to the financial statements

For the year ended 31 December 2022

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2022 No.	2021 No.
Training	1.0	0.6
Competitions	3.2	2.5
Fundraising	3.0	3.0
Other central functions	14.2	14.4
	21.4	20.5

The full-time equivalent average number of employees during the year was as follows:

	2022 No.	2021 No.
Training	1.0	0.6
Competitions	3.2	2.5
Fundraising	3.0	3.0
Other central functions	13.2	13.2
	20.4	19.4

11 Related party transactions

Andrew James (Trustee) – payments of £1,000, (2021: £750) were made to Mrs K Treharne (daughter) for coaching within Pony Club branches. This was an arm's length transaction and Mr James has had no involvement in the procurement of coaches for any of the Pony Club Branches concerned. No balance is outstanding for these transactions at year end.

Tim Vestey (Trustee) – also a director of Thurlow Estate Farms Ltd (TEFL). Payments are made to TEFL for services provided and the use of facilities for Pony Club events £4,753 (2021: £4,102) and payments are also made by TEFL £1,415 (2021: £290) for the use of Pony Club cross country schooling facilities. At 31.12.22 TEFL was owed £nil (2021: £nil) by the Pony Club in respect of the above transactions.

Aggregate donations from related parties were £nil (2021: £nil).

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary The Pony Club Trading Limited gift aids any available profits to the parent charity.

Notes to the financial statements

For the year ended 31 December 2022

13 Intangible fixed assets

The group and charity

Cost	CRM £	Website £	Total £
At the start of the year	390,296	68,113	458,409
Additions in year	41,900	–	41,900
At the end of the year	432,195	68,113	500,308
Amortisation			
At the start of the year	183,974	27,245	211,219
Charge for the year	56,459	13,623	70,082
At the end of the year	240,433	40,868	281,301
Net book value			
At the end of the year	191,762	27,245	219,007
At the start of the year	206,322	40,868	247,189

14 Tangible fixed assets

The group and charity

Cost	Freehold land and property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
At the start of the year	782,520	10,757	1,225,966	2,911,425	4,930,668
Additions in year	–	–	45,119	250,851	295,970
Disposals in year	–	(10,757)	(18,659)	(38,987)	(68,403)
At the end of the year	782,520	–	1,252,426	3,123,289	5,158,236
Depreciation					
At the start of the year	65,308	3,126	1,134,791	2,524,996	3,728,221
Charge for the year	2,760	530	51,055	197,411	251,756
Eliminated on disposal	–	(3,656)	(18,659)	(34,312)	(56,628)
At the end of the year	68,068	–	1,167,187	2,688,095	3,923,350
Net book value					
At the end of the year	714,452	–	85,239	435,194	1,234,885
At the start of the year	717,212	7,631	91,175	386,429	1,202,447

All of the above assets are used for charitable purposes.

A small number of Branches hold land which is not depreciated, the total value of freehold land is £615k .

Notes to the financial statements

For the year ended 31 December 2022

15 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of The Pony Club Trading Limited, a company registered in England (Registered address Lowlands Equestrian Centre, Shrewley, Warwickshire CV35 7AX – company number 3294943). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2022 £	2021 £
Turnover	114,337	154,346
Cost of sales	(4,000)	(6,529)
Gross profit	110,337	147,817
Administrative expenses	(22,920)	(27,661)
Profit on ordinary activities before taxation	87,418	120,156
Taxation on profit on ordinary activities	–	–
Profit for the financial year	87,418	120,156
Retained earnings		
Total retained earnings brought forward	3,836	3,836
Profit for the financial year	87,418	120,156
Distribution under Gift Aid to parent charity	(87,418)	(120,156)
Total retained earnings carried forward	3,836	3,836
The aggregate of the assets, liabilities and reserves was:		
Assets	126,467	187,040
Liabilities	(122,628)	(183,202)
Reserves	3,839	3,838

Amounts owed from/to the parent undertaking are shown in notes 18 and 21 respectfully.

16 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2022 £	2021 £
Gross income	12,486,450	11,228,617
Result for the year	508,959	785,377

The Pony Club

Notes to the financial statements

For the year ended 31 December 2022

17 Debtors

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors due after one year	68,497	68,497	68,497	68,497
Trade debtors due within one year	20,147	101,159	13,821	15,391
Amount owed by subsidiary undertaking	–	–	6,724	143,857
Prepayments and accrued income	351,819	437,487	351,819	437,487
	440,463	607,143	440,860	665,231

Trade debtors includes a long term debtor of £68,497 (2021: £68,497). This represents the ownership percentage that one of The Pony Club's branches has in a local riding school, measured at fair value. It is not anticipated to be sold within the next 12 months.

18 Short term deposits

	The group		The charity	
	2022	Restated 2021	2022	Restated 2021
	£	£	£	£
Branches	60,091	60,091	60,091	60,091
	60,091	60,091	60,091	60,091

19 Cash at bank and in hand

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Central	2,379,646	1,586,455	2,379,646	1,586,455
Branches	5,441,128	5,480,450	5,441,128	5,480,450
Trading subsidiary	42,229	101,273	–	–
	7,863,002	7,168,179	7,820,773	7,066,906

20 Creditors: amounts falling due within one year

	The group		The charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	192,721	161,669	192,721	160,619
Taxation and social security	21,350	22,990	21,350	22,990
Other creditors	55,750	28,937	54,747	28,937
Accruals	113,293	291,228	110,793	288,728
Deferred income (note 22)	746,477	604,106	714,768	568,310
	1,129,590	1,108,930	1,094,379	1,069,584

Notes to the financial statements

For the year ended 31 December 2022

21 Deferred income

Deferred income comprises of income received for branch and centre membership and events taking place in the following financial year and .

	The group		The charity	
	2022 £	2021 £	2022 £	2021 £
Balance at the beginning of the year	604,106	584,274	568,310	584,274
Amount released to income in the year	(604,106)	(582,868)	(568,310)	(582,868)
Amount deferred in the year	746,477	602,700	714,768	566,905
Balance at the end of the year	746,477	604,106	714,768	568,310

22a Analysis of group net assets between funds (current year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Intangible assets	219,007	–	–	219,007
Tangible fixed assets	14,374	1,220,511	–	1,234,885
Net current assets	1,446,268	5,765,203	22,497	7,233,967
Net assets at 31 December 2022	1,679,649	6,985,714	22,497	8,687,860

22b Analysis of group net assets between funds (prior year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Intangible assets	247,190	–	–	247,190
Tangible fixed assets	13,275	1,189,172	–	1,202,447
Net current assets	918,273	5,804,422	3,788	6,726,483
Net assets at 31 December 2021	1,178,738	6,993,594	3,788	8,176,120

23a Movements in funds (current year)

	At 1 January 2022 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2022 £
Restricted funds:					
Sport England	28	20,000	(4,084)	–	15,944
Other funds	3,760	7,551	(4,758)	–	6,553
Total restricted funds	3,788	27,551	(8,842)	–	22,497
Unrestricted funds:					
Designated funds:					
Branch / Area funds	6,993,594	10,304,132	(10,312,013)	–	6,985,714
Non charitable trading	3,833	29,702	(26,920)	–	6,616
General funds	1,174,905	2,154,766	(1,656,637)	–	1,673,034
Total unrestricted funds	8,172,332	12,488,601	(11,995,569)	–	8,665,364
Total funds	8,176,120	12,516,152	(12,004,411)	–	8,687,860

The narrative to explain the purpose of each fund is given at the foot of the note below.

Notes to the financial statements

For the year ended 31 December 2022

23b Movements in funds (prior year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Restricted funds:					
Sport England	(210)	48,185	(47,947)	–	28
Other funds	29,394	–	(25,634)	–	3,760
Total restricted funds	29,184	48,185	(73,581)	–	3,788
Unrestricted funds:					
Designated funds:					
Branch / Area funds	6,725,925	9,248,798	(8,981,129)	–	6,993,594
Non charitable trading	3,834	34,189	(34,190)	–	3,833
General funds	631,801	1,914,962	(1,371,858)	–	1,174,905
Total unrestricted funds	7,361,560	11,197,949	(10,387,177)	–	8,172,332
Total funds	7,390,744	11,246,134	(10,460,758)	–	8,176,120

Purposes of restricted funds

Other funds represent funds received by individual branches or headquarters for specific projects as defined by the donor.

Purposes of designated funds

Branch funds represent accumulated reserves of the individual Branches and Areas of The Pony Club. Although these reserves form part of the unrestricted funds of The Pony Club, Trustees recognise that in normal circumstances the funds will be used by the individual Branches to further the objectives of The Pony Club within their geographical area of activity. New designations represent income during the year and utilised funds represent expenditure for the year.

Non charitable trading funds are the reserves of the trading subsidiary.

24 Operating lease commitments payable as a lessee

The group's and the charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2022 £	2021 £	2022 £	2021 £
Less than one year	29,500	29,500	366	366
One to five years	24,583	54,083	1,037	1,403
	54,083	83,583	1,403	1,769

25 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The members of the company are the trustees named on page 2, plus the members of the Equestrian Council and the Branch Operations Directors. The liability of each member in the event of winding up is limited to £1.

THE PONY CLUB

England & Wales - Charity number 1050146

Accounts

Company number: 03072475
Charity Number: 1050146

The Pony Club

Report and consolidated financial statements
For the year ended 31 December 2021

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The Pony Club

Reference and administrative information

For the year ended 31 December 2021

Company number	030702475
Country of incorporation	United Kingdom
Charity number	1050146
Country of registration	England and Wales
Registered office and operational address	The Pony Club Lowlands Equestrian Centre Old Warwick Road Shrewley Warwickshire CV35 7AX

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Mr T R G Vestey	Chairman
Mrs C M G Valori	Vice Chairman
Mr N J Howlett	Treasurer
Ms J E Baynes	
Mrs D Custance-Baker	
Mr P W Freedman	
Mr A W James	
Mrs E P Lowry	

Key management personnel	Mr Marcus Capel	Chief Executive
	Ms Heidi Lockyer	Deputy Chief Executive
	Ms Sue Woolnough	Finance Manager
	Mrs Beryl Stringer	Head of Membership and Technology
	Mrs Michelle Tompkinson	Head of Marketing (resigned 31 st Dec 2021)

Bankers Barclays Bank Plc
105 The Parade, Leamington Spa, CV32 4AZ

Solicitors DWF LLP
One Snowhill, Birmingham, B4 6GA

Auditor Sayer Vincent LLP
Chartered Accountant and Statutory Auditor
Invicta House, 108–114 Golden Lane, London, EC1Y 0TL

The Pony Club

Trustees' annual report

For the year ended 31 December 2021

The Trustees present their report and the audited financial statements for the year ended 31 December 2021.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

The Pony Club Articles of Association define its charitable objects as being:

To promote and advance the education and understanding of the public and particularly young people, in all matters relating to the horse, its environment, exercise and well-being, its sporting and recreational use and attributes and to promote and advance the acquisition and distribution of knowledge of all matters concerning the horse (including the welfare and breeding of horses and ponies); and

To educate and assist young people through their leisure activities so as to assist in the development of their physical and mental activities to help them to maximise their potential and better enable them to grow to full maturity as individuals and full and confident members of society – in particular by the provision of instruction for young people into riding, and care of horses, ponies and other animals.

Deriving from, and consistent with these charitable objects The Pony Club Charitable Purpose and Strategic Objectives are:

Charitable Purpose

To promote and advance the education and understanding of the public and particularly children and young people, in all matters relating to horsemanship and the horse.

To encourage the development of sportsmanship, unlocking potential by building resilience, confidence, teamwork and leadership skills.

To support and develop the volunteering network to strengthen The Pony Club community and sustain life-long engagement with equestrianism.

Strategic Report

Strategic Objectives

Membership

To grow membership by 10% by 2025.

To demonstrate the social, sporting and leadership impact of The Pony Club.

The Pony Club

Trustees' annual report

For the year ended 31 December 2021

To contribute to British Equestrian's initiative to improve diversity within equestrian sport.
To develop global opportunities for members, coaches and volunteers within The Pony Club International Alliance, the Euro Pony Club and our overseas Branches and Centres.

Charity

To raise the profile of The Pony Club and emphasise its charitable status.
To be the leading provider of horsemanship education and training for children and young people in the UK.
To communicate The Pony Club's contribution to society in order to build visibility, trust and respect.
To teach children and young people the skills they need for a horse or pony in their care to thrive.
To ensure responsible horse ownership and management is at the forefront of our riding activities and to embed the mental, physical and emotional requirements of the horse in all training activity.
To be inclusive and accessible to children and young people from all walks of life.

Volunteers

To ensure that The Pony Club is the organisation of choice for people wishing to support children and young people in an equestrian setting.
To enhance the reputation of The Pony Club as the most trusted and rewarding volunteer organisation in equestrianism in the UK.
To promote the concept of One Pony Club across our whole community.

Sustainability

To maintain a sustainable financial framework with appropriate infrastructure.
To attract and retain sufficient capable and motivated people (staff and volunteers) to meet the needs of our organisation.
To operate within an appropriate legal and regulatory framework.
To nourish The Pony Club Governance structure, providing informed, transparent decisions and clear communications.

Membership

Membership of The Pony Club is open to anyone aged 25 and under. The Pony Club has 325 Branches throughout the United Kingdom and affiliated Pony Clubs in many overseas countries. The Pony Club relies on Membership income and entry fees for events in order to cover its operating costs. In setting the level of fees and charges, the Trustees give careful consideration to the accessibility and diversity of The Pony Club.

The Pony Club operates a Centre Membership Scheme, open to those who do not own their own ponies. The Centre Membership Scheme suffered a downturn during the Covid-19 restrictions which lead to a decline in the number of participating riding schools, which fell from 450 to 420 in 2021.

The Pony Club aims to support and promote fun, friendship, horsemanship and sport.

The Pony Club

Trustees' annual report

For the year ended 31 December 2021

Members' Activities

The primary function of every Branch and Centre is to teach Members to ride and care for their horse or pony, using qualified and approved coaches who teach at rallies and camps.

The Pony Club runs a formal efficiency test scheme from E through to A. It also awards a set of achievement badges which recognise and reward the acquisition of knowledge relating to individual aspects of pony care, first aid, farming, and various sports, thereby helping Members learn and develop. The Pony Club monitors tests taken and badges awarded as measures of its success as a training organisation.

Competitions

Branches and Centres also organise competitions where Members can compete as individuals or in teams against other branches or centres. The ability to deal with success and failure both individually and within a team is central to the ethos of The Pony Club and is a fundamental life skill. Local and Regional competitions act as qualifying rounds for annual, national and/or international championships.

Coaches

All coaches are accredited and must partake in training, an approval process and continuing professional development. A list of approved coaches is maintained by The Pony Club and all branches and centres. The Pony Club encourages Members to aspire to become coaches and has a well-established coaching development programme. This benefits The Pony Club and the Members themselves, providing further skills and the opportunity to generate income as an instructor. The Pony Club is also able to share accredited coaches from other member bodies of British Equestrian. The Pony Club monitors participation in the coaching development programme as another measure of its success as a training organisation.

Volunteers

The Pony Club remains hugely indebted to the unpaid officials who run the affairs of its 325 Branches and to the many thousands of unpaid volunteers who assist in the huge variety of activities staged by branches. Volunteers are also the main workforce for the Pony Club Championships. The Pony Club recognises volunteers who serve the Pony Club for 20 years or more through its Cubitt Award Programme.

Membership

As at 31 December 2021, The Pony Club had 23,026 (2020: 21,523) Branch members and 9,340 (2020: 6,912) Centre members. Branch, and in particular Centre, membership numbers were adversely affected by the Covid-19 crisis, though Centre membership has bounced back reasonably strongly. One of the strategic objectives is to halt the decline and initiate growth in

The Pony Club

Trustees' annual report

For the year ended 31 December 2021

membership numbers, which has been achieved during the course of 2021, albeit from a low, Covid affected base.

Members' Activities

Tests

In 2021 circa 4,600 members passed a test, a significant fall from previous levels of circa 8,000 tests, entirely related to Covid-19 restrictions. No test is compulsory and all members have the support they need to achieve success. Online learning material continues to be developed so members can study in their own time as well as joining branch, centre and regional learning. The Pony Club achievement badges were reviewed and bolstered in the early months of 2021 and a similar exercise is underway in respect of the A – E Tests in 2022.

Competitions

The competition culture amongst branches and centres continues to recover post Covid. The Pony Club competition schedule seeks to impart to members the skills required for competitive careers in show jumping, eventing, dressage, mounted games, tetrathlon, polocrosse, polo, pony racing and endurance. The full spectrum of qualifying competitions were delivered in 2021, culminating in the staging of The Pony Club Championships in August, which were held for the first time at Offchurch Bury near Leamington Spa. More than 2,000 members enjoyed competing at the Championships, which were physically and financially successful against a backdrop of widespread Covid-related cancellation of equestrian competitions throughout the UK. These were the first Pony Club Championships staged for three years, with many learning points gleaned for the 2022 renewal.

Coaches

All Pony Club coaches must have a first aid certificate, be DBS cleared, attend a safeguarding course and commit to their continuing professional development. Each branch monitors its coaches to ensure they are up to date and The Pony Club monitors the register of coaches to maintain high standards.

Many Pony Club members graduate to careers in the equestrian sphere and the grounding they gain in The Pony Club is well respected. Hard work, team work, horsemanship, sportsmanship and high standards of riding and teaching set Pony Club members apart. At a time when the standard required by employers is increasingly high, Pony Club members are well placed for success. Current and past members are professional riders, veterinary surgeons and nurses, horse dentists, farriers, grooms and work in diverse roles in the racing industry. The skills learned in The Pony Club are also transferable to careers outside the equestrian world.

The Pony Club

Trustees' annual report

For the year ended 31 December 2021

Volunteers

The spectrum of Pony Club members, parents, coaches, centre proprietors and volunteers is multi-generational and family based, often engaging several generations of the same family in one place or at one event. The culture of volunteering remains extraordinarily strong and the sense of belonging to and ownership of The Pony Club pervades all components of this spectrum.

The Pony Club seeks to encourage young people to volunteer in the equestrian sector and to facilitate the attainment of Duke of Edinburgh Awards through Pony Club participation. To this end, a growing number of members participate in YELA (Young Equestrian Leader Award).

Beneficiaries of our services

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. The Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The main beneficiaries of The Pony Club are the Members who continue to develop as riders and learn about the care and welfare of horses and ponies.

Developing rounded, well-educated Members also benefits the whole equestrian sector by providing knowledgeable candidates for careers in horse related spheres. It is notable that a high proportion of those shortlisted to represent Great Britain in equestrian sports in the 2021 Tokyo Olympics were ex-Pony Club members. Nevertheless, irrespective of competitive prowess, the skills imparted by The Pony Club of teamwork, sportsmanship, horsemanship, kindness, resilience, dedication and independent thought are valuable life skills for all members. Many friendships gained through participation in Pony Club activities endure for life.

Fund Raising

The Pony Club does not engage in public fundraising activities by professional fund raisers or commercial participators.

Financial review

The consolidated financial statements including The Pony Club and its subsidiary trading company (The Pony Club Trading Ltd) for the year ended 31 December 2021 are presented. The financial statements comply with all statutory requirements and the requirements of The Pony Club's Memorandum and Articles of Association.

The Pony Club recorded a surplus for the year of £785k (2020: £101k). Income from subscriptions grew to £2,337k (2020: £1,853k), training to £5,166k (2020: £3,227k) and competitions to £2,549k (2020: £980k). Total income increased to £11,246k (2020: £6,784k). The lifting of

The Pony Club

Trustees' annual report

For the year ended 31 December 2021

Covid-19 restrictions in 2021, which prohibited most normal Pony Club activity for many months in 2020, accounts for much of this growth in income, so the comparison between years is not particularly relevant. Expenditure on training recovered to £7,164k (2020: £4,868k) and on competitions to £2,888k (2020: £1,478k). Total expenditure increased to £10,461k (2020: £6,683k). Careful cost control means that despite the dramatic upheavals of the last two years, an acceptable surplus for the year has again been achieved.

In addition to the income derived from membership subscriptions and competition entry fees mentioned earlier in this report, additional income is derived from a small number of sponsorship arrangements and infrequently from legacies. Pure fund-raising activities do not make a meaningful or regular contribution to income.

Pony Club Trading Limited recorded a surplus for the year of £120k before distribution under Gift Aid.

Our database management system has been live since late 2020. The database management system remains as an intangible asset with a capitalised value of £206k.

The Pony Club three year agreement with Harry Hall to supply Pony Club branded goods to members, branches and centres expired during 2021. A new agreement with Wainwrights Screenprint replaces the Harry Hall arrangement.

The Pony Club can only function because of the generous support given by unpaid District Commissioners, Treasurers, Area Representatives and other volunteers who run the 325 branches and 19 areas. In accordance with the provisions of the Memorandum and Articles of Association of The Pony Club, no remuneration is paid to any of the Trustees. Volunteers receive reimbursement of reasonable expenses.

A large proportion of The Pony Club's net assets are held by Branches and are used by them for the benefit of Members. Branch funds have been treated as designated funds in the Balance Sheet. All assets are available to fulfil the obligations of The Pony Club in the future. The analysis of group net assets between funds are detailed in note 23.

Principal risks and uncertainties

The Trustees consider the following to be the principal risks and uncertainties facing The Pony Club and have taken the following steps to address them:

Contagious Viruses and Diseases

The devastating impact of Covid on the activities of The Pony Club in 2020, which continued into 2021, has the potential to be repeated via other diseases within the human or equine population, with the potential for government restrictions to impact in a materially adverse manner on membership activities. Cost control is paramount should such an event occur again.

The Pony Club

Trustees' annual report

For the year ended 31 December 2021

Loss of Membership

The gradual, long-term decline in membership translates into a reduction in income which has provided challenges to the continued operation of The Pony Club for many years. The Trustees and the Senior Leadership team are pursuing a strategy to attract new and to retain existing members. The success of this strategic objective is not assured.

Loss of volunteers and associated knowledge, experience and skills.

The Pony Club is heavily reliant on volunteers. It recognises and supports its volunteers both at local, regional and national level. However, committing time to Pony Club volunteering becomes harder for many each year. The use of technology to assist the staging of events is increasingly in evidence, which does reduce the burden on volunteers.

Adverse publicity and reputational damage

There is a risk that the activities of employees, volunteers, members and members' families could potentially bring the organisation adverse publicity. This risk is minimised by training for volunteers, staff and members and by promoting readily accessible codes of conduct. Potentially damaging behaviour is dealt with promptly with support from senior volunteers and employees where necessary.

Reliance on Information Technology

The reliance on information technology presents an inevitable risk to The Pony Club. Significant investment in the new membership database, maintaining cyber security and complying with GDPR regulations continued throughout 2021 and will be an on-going feature of and cost to the business in future years.

Financial

The Pony Club is exposed to financial risks as a result of its day to day activities and could potentially face financial losses from events, legal action or further declines in membership. To manage these risks The Pony Club holds insurance policies and monitors its reserves carefully. The Pony Club Trustees have strengthened central reserves in 2021 to facilitate robust financial health and to cope with as many foreseeable and un-foreseeable risks, costs or losses as possible.

Reserves Policy and going concern

At 31 December 2021, the unrestricted funds of the Charity totalled £8,172k (2020: £7,362k). Of this sum £6,994k (2020: £6,726k) represents funds held by Branches and Areas leaving £1,175k held in central reserves (2020: £632k) and £4k (2020: 4k) held by The Pony Club Trading Limited.

The Pony Club

Trustees' annual report

For the year ended 31 December 2021

The Pony Club Office needs to fund working capital and in order to be able to address unforeseen risks and circumstances the Trustees believe that the unrestricted reserves retained centrally should equate to six month's expenditure. Office expenditure during the year amounted to £2,104k so total central reserves were equivalent to a more desirable 6.5 months expenditure (2020: 4.5 months).

The Trustees conclude that it is appropriate to treat The Pony Club as a going concern.

Plans for the future

The Strategy for 2020 – 2025 with the four defined pillars of Members, Charity, Volunteers and Sustainability is the framework within which The Pony Club will operate for the next five years. Membership growth will be dependent on the retention of existing members and recruitment of new members.

As the environment in which we operate continues to be challenging, the principles and objectives contained in the strategy will ensure that The Pony Club continues to be an efficient, trusted and relevant organisation focused on supporting children and young people in the equestrian world.

The Pony Club remains a vibrant organisation at branch level and many branches provide outstanding training and social opportunities. The skills acquired by young people at Pony Club rallies, camps and training as well as in competitive situations equip members for life beyond Pony Club.

Structure, governance and management

The Pony Club is a charitable company limited by guarantee, incorporated in England and Wales on 26 June 1995 and registered as a charity on 1 January 1997.

The company is established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

The Pony Club Trading Limited was incorporated in England and Wales on 16 December 1996, as a wholly owned subsidiary of The Pony Club. The results of that company are consolidated within these financial statements.

Structure

For the purpose of administration, the United Kingdom is divided into 19 Areas and local Branches are grouped into Areas. The District Commissioners in each Area elect a voluntary Area Representative to co-ordinate and assist the activities of these Branches.

The Pony Club

Trustees' annual report

For the year ended 31 December 2021

The Centre Membership Scheme began in 1998, designed for children who do not have their own ponies. It operates in conjunction with established riding centres, which have been approved by The Pony Club to participate in the scheme. They provide instruction and the additional benefits of Membership to young people who do not have their own pony.

Governance

The Board of Trustees is the ultimate authority of The Pony Club. Reporting to the Board are the Management Committee and the Chief Executive.

The Management Committee is responsible for the full range of equestrian activities, including Branch and Centre Membership, tack, dress, tests and competitions. The Trustees delegate their functions relating to equestrian activities of The Pony Club to committees. These committees are Training, Health & Safety, Centre Membership, Eventing, Show Jumping, Dressage, Mounted Games, Tetrathlon, Polo, Polocrosse, Endurance and Pony Racing. Each Committee generally appoints two Area Representatives to be committee members.

The Chief Executive is an employee of The Pony Club, responsible for administering the activities of The Pony Club and the Office within the policies and procedures established by the Board of Trustees and the Management Committee, and in accordance with statutory requirements and the approved budget.

Third Party Indemnity Insurance is in place in respect of the Trustees (as directors of the company).

Appointment of Trustees

Trustees of the charity are also company directors as a matter of company law.

In accordance with the Articles of Association of The Pony Club, the Board of Trustees is responsible for the appointment of Trustees. Any Trustee who is appointed by the Board of Trustees will hold office until the next AGM or EGM, at which the Members of The Pony Club determine whether to re-appoint them as Trustees for a three-year term.

Trustees are appointed in accordance with the Articles of Association of The Pony Club. Two Trustees are appointed by the Area Representatives. Other Trustees are appointed by the Board of Trustees who also nominate the Treasurer of The Pony Club and a Trustee to represent Centre members. Trustees are eligible for reappointment, subject to a maximum term of nine years.

When there are vacancies for Trustees, these vacancies are advertised and applications are invited. The Trustees then review the applications and appoint new Trustees in line with the Articles of Association.

The Pony Club

Trustees' annual report

For the year ended 31 December 2021

Trustee Induction and training

New Trustees attend a training day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the strategic plan, and the recent financial performance of the charity. During the induction day they meet key employees.

Related parties and relationships with other organisations

The Pony Club has a wholly owned subsidiary undertaking, The Pony Club Trading Limited.

Remuneration policy for key management personnel

Remuneration of key members of staff is reviewed by the Trustees annually, with reference being made to CPI and market rates of pay within comparable companies.

Statement of responsibilities of the Trustees

The Trustees (who are also directors of The Pony Club for the purposes of company law) are responsible for preparing the Trustees' Annual 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 or group 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Trustees' annual report

For the year ended 31 December 2021

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

The Trustees are Members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report which includes the strategic report was approved by the Trustees on 25 August 2022 signed on their behalf by

T R G Vestey
Chairman

Opinion

We have audited the financial statements of The Pony Club (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2021 and of the group'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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Pony Club's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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.

Opinions 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 trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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, 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 parent charitable company'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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

Independent auditor's report

to the Members of

The Pony Club

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditor's report

to the Members of

The Pony Club

Use of our report

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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fleur Holden (Senior statutory auditor)

6 September 2022

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Pony Club

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2021

		2021			2020	
	Note	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £
Income from:						
Donations and legacies	2	588,744	48,185	636,929	447,903	73,242
Charitable activities						
Subscriptions	3	2,337,183	–	2,337,183	1,853,281	–
Training	3	5,166,839	–	5,166,839	3,227,613	–
Competitions	3	2,548,904	–	2,548,904	980,257	–
Other trading activities	4	154,346	–	154,346	59,081	–
Investments	5	4,489	–	4,489	6,334	–
Other	6	397,444	–	397,444	115,634	20,688
Total income		11,197,949	48,185	11,246,134	6,690,103	93,930
Expenditure on:						
Raising funds	7	408,928	–	408,928	336,909	–
Charitable activities						
Training	7	7,090,416	73,581	7,163,997	4,868,073	–
Competitions	7	2,887,833	–	2,887,833	1,478,135	–
Total expenditure		10,387,177	73,581	10,460,758	6,683,117	–
Net income / (expenditure) for the year	8	810,772	(25,396)	785,376	6,986	93,930
Transfers between funds		–	–	–	73,452	(73,452)
Net movement in funds		810,772	(25,396)	785,376	80,438	20,478
Reconciliation of funds:						
Total funds brought forward		7,361,560	29,184	7,390,744	7,281,122	8,706
Total funds carried forward		8,172,332	3,788	8,176,120	7,361,560	29,184

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 24a to the financial statements.

The Pony Club

Balance sheets

Company no. 03072475

As at 31 December 2021

	Note	The group		The charity	
		2021 £	Restated 2020 £	2021 £	Restated 2020 £
Fixed assets:					
Intangible assets	13	247,189	317,271	247,189	317,271
Tangible assets	14	1,202,447	1,179,157	1,202,447	1,179,157
Investment in subsidiary undertaking	15	–	–	2	2
		1,449,637	1,496,428	1,449,639	1,496,430
Current assets:					
Stock	17	–	160,985	–	160,985
Debtors	18	607,143	509,063	665,231	574,968
Short term deposits	19	60,091	60,095	60,091	60,095
Bank current accounts and cash in hand	20	7,168,179	6,234,640	7,066,906	6,161,638
		7,835,413	6,964,782	7,792,228	6,957,686
Liabilities:					
Creditors: amounts falling due within one year	21	1,108,930	1,070,467	1,069,584	1,067,206
		6,726,483	5,894,316	6,722,643	5,890,480
Net current assets					
		8,176,120	7,390,744	8,172,281	7,386,910
Funds:	24a				
Restricted income funds		3,788	29,184	3,788	29,184
Unrestricted income funds:					
Designated funds		6,993,594	6,725,925	6,993,594	6,725,925
Non-charitable trading funds		3,833	3,834	–	–
General funds		1,174,905	631,801	1,174,899	631,801
Total unrestricted funds		8,172,332	7,361,560	8,168,493	7,357,726
Total funds		8,176,120	7,390,744	8,172,281	7,386,910

Approved by the trustees on 25 August 2022 and signed on their behalf by

T R G Vestey
Chairman

The Pony Club

Consolidated statement of cash flows

For the year ended 31 December 2021

	2021 £	£	2020 £	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	785,376		100,916	
Depreciation charges	289,119		270,643	
Loss on disposal	861		1,014	
Amortisation	70,082		33,138	
Impairment	–		108,000	
Investment income	(4,489)		(6,334)	
Decrease / (increase) in stock	160,984		52,713	
(Increase)/decrease in debtors	(98,080)		(84,370)	
Increase / (decrease) in creditors	38,463		317,333	
Net cash provided by operating activities	1,242,315		793,052	
Cash flows from investing activities:				
Interest from investments	4,489		6,334	
Purchase of fixed assets	(313,270)		(195,335)	
Purchase of Intangible assets	–		(61,313)	
Net cash used in investing activities	(308,780)		(250,314)	
Cash flows from financing activities:				
(Repayments) of borrowing	–		(986)	
Net cash (used in) financing activities	–		(986)	
Change in cash and cash equivalents in the year	933,535		541,752	
Cash and cash equivalents at the beginning of the year	6,294,735		5,752,983	
Cash and cash equivalents at the end of the year	7,228,270		6,294,735	
Analysis of cash and cash equivalents				
	At 1 January 2021 £	Cash flows £	Other changes £	At 31 December 2021 £
Bank and building society deposits and investments	60,091	–	–	60,091
Cash at bank and in hand	6,234,645	933,534	–	7,168,179
Total cash and cash equivalents	6,294,736	933,534	–	7,228,270

Notes to the financial statements

For the year ended 31 December 2021

1 Accounting policies

a) Statutory information

The Pony Club is a charitable company limited by guarantee and is incorporated in England and Wales.

The registered office address and principal place of business is Lowlands Equestrian Centre, Shrewley, Warwickshire CV35 7AX.

b) Basis of preparation

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 (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary The Pony Club Trading Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below. The accounts are prepared as full values however are presented to the nearest £1. This may cause small discrepancies in the financial statements.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Sufficient reserves are held centrally and across the organisation and the trustees have a reviewed a rolling 24 months cash flow forecast in order to make this judgement which show no significant risk to the going concern position.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been left to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Accounting for Branches and Areas

Accounting for Branches and Areas is done on a 'cash accounting basis' with any single debtor or creditor in excess of £5k being accounted for.

1 Accounting policies (continued)

g) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of training, competition and supporting activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity based upon their proportional incomes.

j) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on revenue.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of revenue for each activity.

- | | |
|-----------------|-----|
| • Raising funds | 10% |
| • Training | 60% |
| • Competitions | 30% |

k) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

l) Intangible assets

Items are capitalised where intangible assets generated exceed the value of £1,000. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Intangible assets will be amortised over a straight line basis over 5 years.

1 Accounting policies (continued)

m) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

• Freehold buildings	over 50 years
• Motor vehicles and caravans	over 4 years
• Fixtures and fittings	over 3 to 5 years
• Computer equipment	over 2 years
• Course equipment	over 1 to 10 years
• Improvements to leasehold property	over the life of the lease

n) Investments in subsidiaries

Investments in subsidiaries are at cost.

o) Stocks

No stock is held as at 31st December 2021. The stock held as at the end of 2020, is stated at the lower of cost and net realisable value. Cost being determined on a first in first out basis including transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

p) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

q) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

r) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

s) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

t) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

u) Taxation

The Pony Club is a registered charity and as such is exempt from income and corporation taxes under the provisions of the Income and Corporation Taxes Act 1998.

v) Defined pension contribution scheme

Pension contributions are charged to income as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.

Notes to the financial statements

For the year ended 31 December 2021

2 Income from donations and legacies

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Restated Total £
Donations income	4,774	–	4,774	2,609	–	2,609
BEF Grant Income	–	48,185	48,185	–	73,242	73,242
Branch fundraising income	583,970	–	583,970	410,663	–	410,663
Government Grant – Coronavirus Job Retention Scheme	–	–	–	34,632	–	34,632
	<u>588,744</u>	<u>48,185</u>	<u>636,929</u>	<u>447,903</u>	<u>73,242</u>	<u>521,145</u>

3 Income from charitable activities

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Branch subscriptions	1,626,997	–	1,626,997	1,298,662	–	1,298,662
Branch gift aid	315,132	–	315,132	203,555	–	203,555
Centre subscriptions	292,661	–	292,661	315,178	–	315,178
Centre gift aid	53,151	–	53,151	31,449	–	31,449
Centre affiliation fees	41,302	–	41,302	4,438	–	4,438
Overseas Branch affiliation fees	7,940	–	7,940	–	–	–
Sub-total for Subscriptions	<u>2,337,183</u>	<u>–</u>	<u>2,337,183</u>	<u>1,853,281</u>	<u>–</u>	<u>1,853,281</u>
Central training income	73,101	–	73,101	41,394	–	41,394
Branches training income	4,966,585	–	4,966,585	3,048,379	–	3,048,379
Areas training income	127,152	–	127,152	137,840	–	137,840
Sub-total for Training	<u>5,166,839</u>	<u>–</u>	<u>5,166,839</u>	<u>3,227,613</u>	<u>–</u>	<u>3,227,613</u>
Central competition income	403,490	–	403,490	15,395	–	15,395
Branches competition income	1,807,623	–	1,807,623	902,961	–	902,961
Areas competition income	337,791	–	337,791	61,901	–	61,901
Sub-total for Competitions	<u>2,548,904</u>	<u>–</u>	<u>2,548,904</u>	<u>980,257</u>	<u>–</u>	<u>980,257</u>
Total income from charitable activities	<u>10,052,926</u>	<u>–</u>	<u>10,052,926</u>	<u>6,061,151</u>	<u>–</u>	<u>6,061,151</u>

4 Income from other trading activities

	2021			2020		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Restated Total £
Sponsorship, sale of merchandise and commission	154,346	–	154,346	59,081	–	59,081
	<u>154,346</u>	<u>–</u>	<u>154,346</u>	<u>59,081</u>	<u>–</u>	<u>59,081</u>

Notes to the financial statements

For the year ended 31 December 2021

5 Income from investments

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Total £
Central bank interest received		–	–	1,254	–	1,254
Branches bank interest received	4,489	–	4,489	5,080	–	5,080
	<u>4,489</u>	<u>–</u>	<u>4,489</u>	<u>6,334</u>	<u>–</u>	<u>6,334</u>

6 Other income

	Unrestricted £	Restricted £	2021 Total £	Unrestricted £	Restricted £	2020 Restated Total £
Central other income received	48,497	–	48,497	30,821	–	30,821
Branches other income received	328,607	–	328,607	81,997	20,688	102,685
Areas other income received	20,339	–	20,339	2,816	–	2,816
	<u>397,444</u>	<u>–</u>	<u>397,444</u>	<u>115,634</u>	<u>20,688</u>	<u>136,322</u>

The Pony Club

Notes to the financial statements

For the year ended 31 December 2021

7a Analysis of expenditure (current year)

	Charitable activities						
	Cost of raising funds £	Training £	Competitions £	Governance costs £	Support costs £	2021 Total £	2020 Total £
Costs directly allocated to charitable activities:							
Costs of camps, rallies and other training events	-	5,211,831	-	-	-	5,211,831	3,335,073
Costs of competitions	-	-	1,878,474	-	-	1,878,474	693,312
Support costs directly attributable to activities:							
Staff costs, travel and other expenses	-	19,168	76,152	34,330	-	129,651	106,766
Meeting costs	-	1,005	518	-	-	1,522	1,617
Area representatives	669	4,012	2,006	-	-	6,686	5,112
Centre membership	-	70,670	-	-	-	70,670	56,418
Young Equestrians	-	356	-	-	-	356	557
Branch running costs	147,481	884,884	442,442	-	-	1,474,807	898,084
Insurance	-	145,576	74,994	-	-	220,570	210,050
Legal and professional	-	-	-	80,878	-	80,878	98,965
Fundraising and publicity	123,030	-	-	-	-	123,030	148,616
Support costs directly attributable by usage:							
Staff costs, travel and other expenses	-	-	-	-	516,464	516,464	513,806
Meeting costs	-	-	-	-	-	-	887
Irrecoverable VAT	-	-	-	-	73,030	73,030	68,053
Central depreciation	-	-	-	-	76,493	76,493	45,696
Impairment	-	-	-	-	-	-	108,000
Premises costs	-	-	-	-	292,965	292,965	134,472
Office costs	-	-	-	-	62,632	62,632	50,587
Accountancy and payroll	-	-	-	-	166,906	166,906	157,098
Other expenses	-	-	-	-	73,793	73,793	49,948
	271,179	6,337,502	2,474,586	115,208	1,262,283	10,460,758	6,683,117
Governance costs	11,521	69,125	34,562	(115,208)	-	-	-
Support costs	126,228	757,370	378,685	-	(1,262,283)	-	-
Total expenditure 2021	408,928	7,163,997	2,887,833	-	-	10,460,758	
Total expenditure 2020	336,909	4,868,073	1,478,135	-	-		6,683,117

The Pony Club

Notes to the financial statements

For the year ended 31 December 2021

7a Analysis of expenditure (prior year)

	Charitable activities					
	Cost of raising funds £	Training £	Competitions £	Governance costs £	Support costs £	2020 Total £
Costs directly allocated to charitable activities:						
Costs of camps, rallies and other training events	-	3,335,073	-	-	-	3,335,073
Costs of competitions	-	-	693,312	-	-	693,312
Support costs directly attributable to activities:						
Staff costs, travel and other expenses	-	43,033	63,733	-	-	106,766
Meeting costs	-	1,067	550	-	-	1,617
Area representatives	-	3,374	1,738	-	-	5,112
Centre membership	-	56,418	-	-	-	56,418
Young Equestrians	-	557	-	-	-	557
Branch running costs	64,139	554,252	279,693	-	-	898,084
Public liability insurance	-	129,375	66,647	-	-	196,022
Indemnity insurance	-	-	-	14,028	-	14,028
Legal and professional	-	-	-	98,965	-	98,965
Fundraising and publicity	148,616	-	-	-	-	148,616
Support costs directly attributable by usage:						
Staff costs, travel and other expenses	-	-	-	-	513,806	513,806
Meeting costs	-	-	-	-	887	887
Irrecoverable VAT	-	-	-	-	68,053	68,053
Central depreciation	-	-	-	-	45,696	45,696
Impairment	-	-	-	-	108,000	108,000
Premises costs	-	-	-	-	134,472	134,472
Office costs	-	-	-	-	50,587	50,587
Accountancy and payroll	-	-	-	-	157,098	157,098
Other expenses	-	-	-	-	49,948	49,948
	212,755	4,123,149	1,105,673	112,993	1,128,547	6,683,117
Governance costs	11,299	67,796	33,898	(112,993)	-	-
Support costs	112,855	677,128	338,564	-	(1,128,547)	-
Total expenditure 2020	336,909	4,868,073	1,478,135	-	-	6,683,117

Notes to the financial statements

For the year ended 31 December 2021

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2021 £	2020 £
Depreciation	289,119	270,643
Loss on Disposal	861	(87,157)
Amortisation	70,082	33,138
Impairment	–	108,000
Operating lease rentals:		
Property	67,333	55,300
Other	4,490	5,315
Auditor's remuneration (excluding VAT):		
Audit	20,000	19,400
Other services	1,300	850

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

Staff costs were as follows:

	2021 £	2020 £
Salaries and wages	668,082	636,459
Social security costs	65,243	60,709
Employer's contribution to defined contribution pension schemes	48,345	32,657
Casual and temporary staff costs	7,550	32,052
Health and life insurance costs	9,154	19,109
	798,374	780,986

Staff costs (as above plus travel costs) have been included under Accountancy & Payroll, £166,906 (2020: £157,098), Staff costs directly attributable to activities, £129,651 (2020: £106,766) and Staff costs directly attributable by usage £516,464 (2020: £512,779).

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2021 £	2020 £
£70,000 – £80,000	1	1

The total employee benefits (including employer pension contributions and employer's national insurance) of the key management personnel were £303,921 (2020: £277,366). The organisation considers key management personnel to be the Chief Executive, the Deputy Chief Executive, Finance Manager, Head of Marketing and Head of Membership and Technology.

No trustee remuneration was paid to any trustees during the year. Trustees' expenses were reimbursed to 2 (2020: 2) trustees during the year.

Trustees' expenses represents the payment or reimbursement of costs as follows:

	2021 £	2020 £
Travel and subsistence costs	1,387	1,215

Notes to the financial statements

For the year ended 31 December 2021

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2021 No.	2020 No.
Training	0.6	1.2
Competitions	2.5	2.2
Fundraising	3.0	2.0
Other central functions	14.4	15.9
	<u>20.5</u>	<u>21.3</u>

The full-time equivalent average number of employees during the year was as follows:

	2021 No.	2020 No.
Training	0.6	1.2
Competitions	2.5	2.2
Fundraising	3.0	2.0
Other central functions	13.2	14.6
	<u>19.4</u>	<u>20.0</u>

11 Related party transactions

Andrew James (Trustee) – payments made to Mrs S James (wife) in relation to the supply of rosettes £30 (2020: £385) and payments made to Mrs K Treharne (daughter) for coaching within Pony Club branches. This was an arm's length transaction and Mr James has had no involvement in the procurement of coaches for any of the Pony Club Branches concerned. No balance is outstanding for these transactions at year end.

Tim Vestey (Trustee) – also a director of Thurlow Estate Farms Ltd (TEFL). Payments are made to TEFL for services provided and the use of facilities for Pony Club events (£4,102) (2020: £5,139) and payments are also made by TEFL (£290) (2020: £1,462) for the use of Pony Club cross country schooling facilities. At 31.12.20 TEFL was owed £nil (2020: £3,000) by the Pony Club in respect of the above transactions. Note – the £3000 owed at the end of 2020 was accrued in the pony club accounts as the licence agreement runs from April to March. In 2021 no amounts were accrued as the accounts were prepared on a cash basis for the first time. No income was accrued on 2020.

Aggregate donations from related parties were £0 (2020: £Nil).

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary The Pony Club Trading Limited gift aids any available profits to the parent charity. Its charge to corporation tax in the year was:

	2021 £	2020 £
UK corporation tax at 19%	-	-

Notes to the financial statements

For the year ended 31 December 2021

13 Intangible fixed assets

The group and charity

Cost	CRM £	Website £	Total £
At the start of the year	390,296	68,113	458,409
Additions in year	–	–	–
At the end of the year	390,296	68,113	458,409
Amortisation			
At the start of the year	127,515	13,623	141,138
Charge for the year	56,459	13,623	70,082
At the end of the year	183,974	27,245	211,219
Net book value			
At the end of the year	206,322	40,868	247,189
At the start of the year	262,781	54,490	317,271

14 Tangible fixed assets

The group and charity

Cost	Freehold property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
At the start of the year	782,520	10,757	1,355,658	2,678,170	4,827,105
Additions in year	–	–	61,593	251,676	313,270
Disposals in year	–	–	(191,285)	(18,421)	(209,706)
At the end of the year	782,520	10,757	1,225,966	2,911,425	4,930,669
Depreciation					
At the start of the year	63,124	2,490	1,241,602	2,340,732	3,647,948
Charge for the year	2,184	636	84,381	201,917	289,119
Eliminated on disposal	–	–	(191,193)	(17,653)	(208,846)
At the end of the year	65,308	3,126	1,134,791	2,524,996	3,728,221
Net book value					
At the end of the year	717,212	7,631	91,175	386,429	1,202,447
At the start of the year	719,396	8,267	114,056	337,438	1,179,157

All of the above assets are used for charitable purposes.

A small number of Branches hold land which is not depreciated, the total value of freehold land is c£615k .

Notes to the financial statements

For the year ended 31 December 2021

15 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of The Pony Club Trading Limited, a company registered in England (Registered address Lowlands Equestrian Centre, Shrewley, Warwickshire CV35 7AX – company number 3294943). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2021 £	2020 £
Turnover	154,346	59,082
Cost of sales	(6,529)	(66,875)
Gross profit/(loss)	147,817	(7,792)
Administrative expenses	(27,661)	(4,206)
Profit / (loss) on ordinary activities before taxation	120,156	(11,998)
Taxation on profit on ordinary activities	–	–
Profit / (loss) for the financial year	120,156	(11,998)
Retained earnings		
Total retained earnings brought forward	3,836	15,835
(Loss) / Profit for the financial year	120,156	(11,999)
Total comprehensive income for the year	–	–
Distribution under Gift Aid to parent charity	(120,156)	–
Total retained earnings carried forward	3,836	3,836
The aggregate of the assets, liabilities and reserves was:		
Assets	187,040	82,651
Liabilities	(183,202)	(78,813)
Reserves	3,838	3,838

Amounts owed from/to the parent undertaking are shown in notes 18 and 21 respectively.

16 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2021 £	2020 £
Gross income	11,228,617	6,726,657
Result for the year	785,377	110,415

17 Stock

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Goods for resale and issue to members	–	160,984	–	160,984
	–	160,984	–	160,984

Notes to the financial statements

For the year ended 31 December 2021

18 Debtors

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors due after one year	68,497	68,497	68,497	68,497
Trade debtors due within one year	101,159	74,718	15,391	65,068
Amount owed by subsidiary undertaking	–	–	143,857	75,552
Prepayments and accrued income	437,487	365,848	437,487	365,848
	607,143	509,063	665,231	574,965

With the exception of the debtor described below, all of the group's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in notes 18, 19 and 20 below.

Trade debtors includes a long term debtor of £68,497 (2020: £68,497). This represents the ownership percentage that one of The Pony Club's branches has in a local riding school, measured at fair value. It is not anticipated to be sold within the next 12 months.

19 Short term deposits

	The group		The charity	
	2021	Restated 2020	2021	Restated 2020
	£	£	£	£
Central	–	4	–	4
Branches	60,091	60,091	60,091	60,091
	60,091	60,095	60,091	60,095

20 Bank current accounts and cash in hand

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Central	1,586,455	768,531	1,586,455	768,531
Branches	5,480,450	5,393,108	5,480,450	5,393,108
Trading subsidiary	101,273	73,002	–	–
	7,168,179	6,234,640	7,066,906	6,161,638

21 Creditors: amounts falling due within one year

	The group		The charity	
	2021	2020	2021	2020
	£	£	£	£
Other loans	–	3,624	–	3,624
Trade creditors	161,669	213,967	160,619	213,206
Taxation and social security	22,990	11,419	22,990	11,419
Other creditors	28,937	34,521	28,937	34,521
Accruals	291,228	200,078	288,728	220,161
Funds held on account	–	22,583	–	–
Deferred income (note 22)	604,106	584,274	568,310	584,274
	1,108,930	1,070,467	1,069,584	1,067,206

Notes to the financial statements

For the year ended 31 December 2021

22 Deferred income

Deferred income comprises of income received for branch and centre membership and events taking place in the following financial year and .

	The group		The charity	
	2021 £	2020 £	2021 £	2020 £
Balance at the beginning of the year	584,274	310,315	584,274	310,315
Amount released to income in the year	(582,868)	(310,315)	(582,868)	(310,315)
Amount deferred in the year	602,700	584,274	566,905	584,274
Balance at the end of the year	604,106	584,274	568,310	584,274

23a Analysis of group net assets between funds (current year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	13,275	1,189,172	–	1,202,447
Intangible assets	247,190	–	–	247,190
Net current assets	918,273	5,804,422	3,788	6,726,483
Net assets at 31 December 2021	1,178,738	6,993,594	3,788	8,176,120

23b Analysis of group net assets between funds (prior year)

	General unrestricted £	Designated funds £	Restricted funds £	Total funds £
Tangible fixed assets	14,855	1,164,302	–	1,179,157
Intangible assets	317,271	–	–	317,271
Net current assets	303,508	5,561,623	29,184	5,894,315
Net assets at 31 December 2020	635,635	6,725,925	29,184	7,390,744

24a Movements in funds (current year)

	At 1 January 2021 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 December 2021 £
Restricted funds:					
Sport England	(210)	48,185	(47,947)	–	28
Other funds	29,394	–	(25,634)	–	3,760
Total restricted funds	29,184	48,185	(73,581)	–	3,788
Unrestricted funds:					
Designated funds:					
Branch / Area funds	6,725,925	9,248,798	(8,981,129)	–	6,993,594
Non charitable trading	3,834	34,189	(34,190)	–	3,833
General funds	631,801	1,914,962	(1,371,858)	–	1,174,905
Total unrestricted funds	7,361,560	11,197,949	(10,387,177)	–	8,172,332
Total funds	7,390,744	11,246,134	(10,460,758)	–	8,176,120

The narrative to explain the purpose of each fund is given at the foot of the note below.

Notes to the financial statements

For the year ended 31 December 2021

24b Movements in funds (prior year)

	At 1 January 2020	Income & gains	Expenditure & losses	Transfers	At 31 December 2020
	£	£	£	£	£
Restricted funds:					
Sport England	–	73,242	–	(73,452)	(210)
Other funds	8,706	20,688	–	–	29,394
Total restricted funds	8,706	93,930	–	(73,452)	29,184
Unrestricted funds:					
Designated funds:					
Branch / Area funds	6,767,148	6,284,124	(6,325,347)	–	6,725,925
Non charitable trading	15,833	59,081	(71,080)	–	3,834
General funds	498,141	346,898	(286,689)	73,452	631,801
Total unrestricted funds	7,281,122	6,690,103	(6,683,116)	73,452	7,361,560
Total funds	7,289,828	6,784,033	(6,683,116)	–	7,390,744

Purposes of restricted funds

Other funds represent funds received by individual branches or headquarters for specific projects as defined by the donor.

Purposes of designated funds

Branch funds represent accumulated reserves of the individual Branches and Areas of The Pony Club. Although these reserves form part of the unrestricted funds of The Pony Club, Trustees recognise that in normal circumstances the funds will be used by the individual Branches to further the objectives of The Pony Club within their geographical area of activity. New designations represent income during the year and utilised funds represent expenditure for the year.

Non charitable trading funds are the reserves of the trading subsidiary.

25 Operating lease commitments payable as a lessee

The group's and the charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2021	2020	2021	2020
	£	£	£	£
Less than one year	29,500	55,300	366	5,315
One to five years	54,083	110,600	1,403	–
	83,583	165,900	1,769	5,315

26 Explanation for prior year restatement

Short term deposits in the 2020 financial statements have been reclassified as cash at bank and in hand due to the funds being immediately available. In addition to this, the charity decided to reclassify branch fundraising income from other income into donations and legacies. The net impact of these restatements to the net movement in funds is nil.

27 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The members of the company are the trustees named on page 2, plus the members of the Equestrian Council and the Branch Operations Directors. The liability of each member in the event of winding up is limited to £1.

THE PONY CLUB

England & Wales - Charity number 1050146

Accounts

Company number: 03072475
Charity Number: 1050146

The Pony Club

Report and consolidated financial statements
For the year ended 31 December 2020

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The Pony Club

Reference and administrative information

For the year ended 31 December 2020

Company number	030702475
Country of incorporation	United Kingdom
Charity number	1050146
Country of registration	England and Wales

Registered office and operational address	The Pony Club Stoneleigh Park Kenilworth Warwickshire CV8 2RW
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Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Mr C J B Bromfield	Chairman (resigned December 2020)
Mr T R G Vestey	Chairman (appointed January 2021)
Mrs C M G Valori	Vice Chairman
Mr N J Howlett	Treasurer (appointed February 2020)
Ms J E Baynes	(appointed February 2020)
Mrs D Custance-Baker	(appointed January 2020)
Mr P W Freedman	(appointed February 2020)
Mr A W James	
Mrs E P Lowry	

Key management personnel	Mr Marcus Capel	Chief Executive
	Ms Heidi Lockyer	Chief Operating Officer
	Ms Briony King	Head of Finance
	Mrs Beryl Stringer	Head of Membership and Technology
	Mrs Michelle Tompkinson	Head of Marketing (Appointed April 2020)

Bankers	Barclays Bank Plc 105 The Parade, Leamington Spa, CV32 4AZ
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Solicitors	DWF LLP One Snowhill, Birmingham, B4 6GA
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Auditor	Sayer Vincent LLP Chartered Accountant and Statutory Auditor Invicta House, 108-114 Golden Lane, London, EC1Y 0TL
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The Pony Club

Trustees' annual report

For the year ended 31 December 2020

The Trustees present their report and the audited financial statements for the year ended 31 December 2020.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, the requirements of a directors' report as required under company law, and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

The Pony Club Articles of Association define its charitable objects as being:

To promote and advance the education and understanding of the public and particularly young people, in all matters relating to the horse, its environment, exercise and well-being, its sporting and recreational use and attributes and to promote and advance the acquisition and distribution of knowledge of all matters concerning the horse (including the welfare and breeding of horses and ponies); and

To educate and assist young people through their leisure activities so as to assist in the development of their physical and mental activities to help them to maximise their potential and better enable them to grow to full maturity as individuals and full and confident members of society – in particular by the provision of instruction for young people into riding, and care of horses, ponies and other animals.

Deriving from, and consistent with these charitable objects, a strategic review carried out in 2020 defined the following Pony Club Charitable Purpose and Strategic Objectives:

Charitable Purpose

To promote and advance the education and understanding of the public and particularly children and young people, in all matters relating to horsemanship and the horse.

To encourage the development of sportsmanship, unlocking potential by building resilience, confidence, teamwork and leadership skills.

To support and develop the volunteering network to strengthen The Pony Club community and sustain life-long engagement with equestrianism.

The Pony Club

Trustees' annual report

For the year ended 31 December 2020

Strategic Objectives

Membership

To grow membership by 10% by 2025

To demonstrate the social, sporting and leadership impact of The Pony Club

To contribute to British Equestrian's initiative to improve diversity within equestrian sport.

To develop global opportunities for members, coaches and volunteers within The Pony Club International Alliance, the Euro Pony Club and our overseas Branches and Centres

Charity

To raise the profile of The Pony Club and emphasise its charitable status.

To be the leading provider of horsemanship education and training for children and young people in the UK.

To communicate The Pony Club's contribution to society in order to build visibility, trust and respect.

To teach children and young people the skills they need for a horse or pony in their care to thrive.

To ensure responsible horse ownership and management is at the forefront of our riding activities and to embed the mental, physical and emotional requirements of the horse in all training activity.

To be inclusive and accessible to children and young people from all walks of life.

Volunteers

To ensure that The Pony Club is the organisation of choice for people wishing to support children and young people in an equestrian setting.

To enhance the reputation of The Pony Club as the most trusted and rewarding volunteer organisation in equestrianism in the UK.

To promote the concept of One Pony Club across our whole community.

Sustainability

To maintain a sustainable financial framework with appropriate infrastructure.

To attract and retain sufficient capable and motivated people (staff and volunteers) to meet the needs of our organisation.

To operate within an appropriate legal and regulatory framework.

To nourish The Pony Club Governance structure, providing informed, transparent decisions and clear communications.

Membership

Membership of The Pony Club is open to anyone aged 25 and under. The Pony Club has 325 Branches throughout the United Kingdom and affiliated Pony Clubs in many overseas countries. The Pony Club relies on Membership income and entry fees for events in order to cover its operating costs. In setting the level of fees and charges, the Trustees give careful consideration to the accessibility and diversity of The Pony Club.

The Pony Club

Trustees' annual report

For the year ended 31 December 2020

The Pony Club operates a Centre Membership Scheme, open to those who do not own their own ponies. The Centre Membership Scheme has suffered a downturn during the Covid-19 restrictions and the number of participating riding schools has fallen from 450 to 420 in the last 12 months.

The Pony Club aims to support and promote fun, friendship, horsemanship and sport.

Members' Activities

The primary function of every Branch and Centre is to teach Members to ride and care for their horse or pony, using qualified and approved coaches who teach at rallies and camps.

The Pony Club runs a formal efficiency test scheme from E through to A. It also awards a set of achievement badges which recognise and reward the acquisition of knowledge relating to individual aspects of pony care, first aid, farming, and various sports, thereby helping Members learn and develop. The Pony Club monitors tests taken and badges awarded as measures of its success as a training organisation.

Competitions

Branches and Centres also organise competitions where Members can compete as individuals or in teams against other branches or centres. The ability to deal with success and failure both individually and within a team is central to the ethos of The Pony Club and is a fundamental life skill. Local and Regional competitions act as qualifying rounds for annual, national and/or international championships.

Coaches

All coaches are accredited and must partake in training, an approval process and continuing professional development. A list of approved coaches is maintained by The Pony Club and all branches and centres. The Pony Club encourages Members to aspire to become coaches and has a well-established coaching development programme. This benefits The Pony Club and the Members themselves, providing further skills and the opportunity to generate income as an instructor. The Pony Club is also able to share accredited coaches from other member bodies of British Equestrian. The Pony Club monitors participation in the coaching development programme as another measure of its success as a training organisation.

Volunteers

The Pony Club remains hugely indebted to the unpaid officials who run the affairs of its 325 Branches and to the many thousands of unpaid volunteers who assist in the huge variety of activities staged by branches. Volunteers are also the main workforce for the Pony Club Championships. The Pony Club recognises volunteers who serve the Pony Club for 20 years or more through its Cubitt Award Programme.

The Pony Club

Trustees' annual report

For the year ended 31 December 2020

Membership

As at 31 December 2020, The Pony Club had 21,523 (2019: 23,087) Branch members and 6,912 (2019: 13,104) Centre members. The Pony Club introduced rolling annual membership in place of fixed dated annual memberships in 2020. Branch, and in particular Centre, membership numbers were adversely affected by the Covid-19 crisis and the consequent lack of activity. As at 28th June 2021, Branch membership numbers stood at 21,165 whilst Centre memberships totalled 7,853. In accordance with the strategic objectives defined in 2020, the Trustees and Senior Leadership team seek to halt the decline and initiate growth in membership numbers.

Members' Activities

Tests

In 2020 circa 4,600 members passed a test, a significant fall from previous levels of circa 8,000 tests, entirely related to Covid-19 restrictions. No test is compulsory and all members have the support they need to achieve success. Online learning material continues to be developed so members can study in their own time as well as joining branch, centre and regional learning. The Pony Club series of achievement badges have been reviewed and bolstered in the early months of 2021.

Competitions

The competition culture amongst branches and centres is on the road to recovery after the adverse impacts of the Covid-19 restrictions in 2020 and early 2021. The Pony Club competition schedule seeks to impart to members the skills required for competitive careers in show jumping, eventing, dressage, mounted games, tetrathlon, polocrosse, polo, pony racing and endurance. Plans are well advanced to resume competitive activity with vigour in the second half of 2021, with qualifier competitions underway, which will lead to the Pony Club Championships in August, which will be held for the first time at Offchurch Bury near Leamington Spa.

Coaches

All Pony Club coaches must have a first aid certificate, be DBS cleared, attend a safeguarding course and commit to their continuing professional development. Each branch monitors its coaches to ensure they are up to date and The Pony Club monitors the register of coaches to maintain the highest standards.

Many Pony Club members go on to have careers in the equestrian sphere and the grounding they gain in The Pony Club is well respected. Hard work, team work, horsemanship, sportsmanship and high standards of riding and teaching set Pony Club members apart. At a time when the standard required by employers is increasingly high, Pony Club members are well placed for success. Current and past members are professional riders, veterinary surgeons and nurses, horse dentists,

The Pony Club

Trustees' annual report

For the year ended 31 December 2020

farriers, grooms and work in diverse roles in the racing industry. The skills learned in The Pony Club are also transferable to careers outside the equestrian world.

Volunteers

The spectrum of Pony Club members, parents, coaches, centre owners and volunteers is multi-generational and family based, often engaging several generations of the same family at one event. The culture of volunteering remains extraordinarily strong and the sense of belonging to and ownership of The Pony Club pervades all components of this spectrum.

The Pony Club seeks to encourage young people to volunteer in the equestrian sector and to facilitate the attainment of Duke of Edinburgh Awards through Pony Club participation. To this end, a growing number of members participate in YELA (Young Equestrian Leader Award).

Beneficiaries of our services

The main beneficiaries of The Pony Club are the Members who continue to develop as riders and learn about the care and welfare of horses and ponies.

Developing rounded, well-educated Members also benefits the whole equestrian sector by providing knowledgeable candidates for careers as riders, grooms, veterinary surgeons and nurses, horse dentists, farriers and in the horse racing industry. It is notable that a high proportion of those shortlisted to represent Great Britain in equestrian sports in the 2021 Tokyo Olympics are ex-Pony Club members. The skills of teamwork, sportsmanship, horsemanship, kindness, resilience, dedication and acting independently are all of value regardless of the chosen profession.

Financial review

The consolidated financial statements including The Pony Club and its subsidiary trading company (The Pony Club Trading Ltd) for the year ended 31 December 2020 are presented. The financial statements comply with all statutory requirements and the requirements of The Pony Club's Memorandum and Articles of Association.

The Pony Club recorded a surplus for the year of £101k (2019 £30k). Income from subscriptions fell to £1,853k (2019 £2,371k), training to £3,227k (2019 £5,989k) and competitions to £980k (2019 £3,118k). Total income fell to £6,784k (2019 £12,824k), roughly half the level of 2019 income. The paralysis introduced by Covid-19 restrictions, which prohibited most normal Pony Club activity for many months, is almost single-handedly responsible for these declines in income. Expenditure on training fell to £4,868k (2019 £8,320k) and on competitions to £1,478k (2019 £3,726k). Total expenditure fell to £6,683k (2019 £12,794k). Careful cost control means that despite these dramatic upheavals an acceptable surplus for the year has been achieved.

The Pony Club

Trustees' annual report

For the year ended 31 December 2020

Work continued on our new database management system throughout 2020, which went live for Centre memberships and pilot Branches in early 2020 and across all Branches by October 2020. A further £61k was spent on developing the database system during the year. The system was amortised and in addition an impairment review of the database system during the year was undertaken and an impairment of £108k was made in the accounts. The database management system therefore remains as an intangible asset with a capitalised value of £262k.

The lack of activity enforced by the government's Covid-19 restrictions impacted adversely on sales through The Pony Club joint venture with Harry Hall, which supplies Pony Club branded goods to members, branches and centres. Anticipated profits from trading were diminished as a result of these restrictions.

The Pony Club can only function because of the generous support given by unpaid District Commissioners, Treasurers, Area Representatives and other volunteers who run the 325 branches and 19 areas. In accordance with the provisions of the Memorandum and Articles of Association of The Pony Club, no remuneration is paid to any of the Trustees. Volunteers receive reimbursement of reasonable expenses.

A large proportion of The Pony Club's net assets are held by Branches and are used by them for the benefit of Members. Branch funds have been treated as designated funds in the Balance Sheet. All assets are available to fulfil the obligations of The Pony Club in the future. Movements in tangible fixed assets are detailed in note 13.

Principal risks and uncertainties

The Trustees consider the following to be the principal risks and uncertainties facing The Pony Club and have taken the following steps to address them:

The Covid-19 virus

The virus had an enormous impact on the activities of The Pony Club in 2020. With effect from the middle of March all outdoor training ceased and it was not possible to hold any of the traditional Pony Club events over the summer months, although some training and small competitive events were successfully staged in the autumn. However, a steady stream of virtual activity at branch level meant that learning and training could continue remotely throughout the year. 2021 has featured a gradual resumption of rallies and other training and competitive activity and it is hoped that a return to normal levels of activity is not far away. The prospect of government restrictions impacting in a materially adverse manner on membership numbers was a legitimate fear, which had the potential to dramatically affect subscription income. Cost control has been paramount in order to prepare for such an eventuality, but in practice the worst-case projections for declines in membership have thankfully not materialised.

The Pony Club

Trustees' annual report

For the year ended 31 December 2020

Loss of Membership

The gradual, long-term decline in membership translates into a reduction in income which has provided challenges affecting the continued operation of The Pony Club for many years. Cost savings have been required in recent years in response to this decline. The Trustees and the Senior Leadership team are pursuing a strategy to attract new and to retain existing members. Simultaneously The Pony Club is finding ways to ensure that historically loss-making central training, competitive and educational activities operate at break even.

Loss of volunteers and associated knowledge, experience and skills.

The Pony Club is heavily reliant on volunteers. It recognises and supports its volunteers both at local, regional and national level. However, committing time to Pony Club volunteering becomes harder for many each year, so the use of technology to replace volunteers is increasingly in evidence. The adoption of technology has been accelerated by the Covid-19 experience.

Adverse publicity and reputational damage

There is a risk that the activities of employees, volunteers, members and members' families could potentially bring the organisation adverse publicity. This risk is minimised by training for volunteers, staff and members and by promoting readily accessible codes of conduct. Potentially damaging behaviour is dealt with promptly with support from senior volunteers and employees where necessary.

Reliance on Information Technology

The reliance on information technology presents an inevitable risk to The Pony Club. Significant investment in a new membership database, maintaining cyber security and complying with GDPR regulations continued throughout 2020 and will be an on-going feature of and cost to the business in future years.

Financial

The Pony Club is exposed to financial risks as a result of its day to day activities and could potentially face financial losses from events, legal action or further declines in membership. To manage these risks The Pony Club holds a number of insurance policies and monitors its reserves carefully. The Pony Club Trustees consider that central reserves should ideally be further strengthened in coming years in order to ensure robust financial health to cope with as many foreseeable and un-foreseeable risks, costs or losses as possible.

The Pony Club

Trustees' annual report

For the year ended 31 December 2020

Reserves Policy and going concern

At 31st December 2020, the unrestricted funds of the Charity totalled £7,362k (2019 £7,281k). Of this sum £6,726k (2019 £6,767k) represents funds held by Branches and Areas leaving £632k held in central reserves (2019 £498k) and £4k (2019 16k) held by The Pony Club Trading Limited.

The Pony Club Office needs to fund working capital and in order to be able to address unforeseen risks and circumstances the Trustees believe that the unrestricted reserves retained centrally should equate to six month's expenditure. Office expenditure during the year amounted to £1,672k so total central reserves were equivalent to 4.5 months expenditure (2019 2.5 months). The Trustees acknowledge that in 2020 this remains lower than defined in the reserves policy, and they will seek to address this by continuing to allocate surplus funds to central reserves in future years.

The Trustees have reviewed the risks identified and a 24 month rolling cash forecast and have concluded that it is appropriate to treat The Pony Club as a going concern.

Plans for the future

The Pony Club membership has witnessed a steady decline in recent years. Our primary ambition is to halt that decline and initiate growth in the membership of The Pony Club without losing the core focus of what we do and why we do it. Membership growth will be dependent on the retention of existing members and recruitment of new members. The Strategy for 2020 – 2025 with the four defined pillars of Members, Charity, Volunteers and Sustainability is the framework within which The Pony Club will operate for the next five years.

We are committed to securing the future of The Pony Club and work is already under way to deliver against our commitments. As the environment in which we operate continues to be challenging, the principles contained in the strategy will ensure that The Pony Club continues to be an efficient, trusted and relevant organisation focused on supporting children and young people in the equestrian world.

The Pony Club remains a vibrant organisation at branch level and many branches provide outstanding training and social opportunities. The skills acquired by young people at Pony Club rallies, camps and training as well as in competitive situations equip members for life beyond Pony Club.

Structure, governance and management

The Pony Club is a charitable company limited by guarantee, incorporated in England and Wales on 26 June 1995 and registered as a charity on 1 January 1997.

The Pony Club

Trustees' annual report

For the year ended 31 December 2020

The company is established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

The Pony Club Trading Limited was incorporated in England and Wales on 16 December 1996, as a wholly owned subsidiary of The Pony Club. The results of that company are consolidated within these financial statements.

Structure

For the purpose of administration, the United Kingdom is divided into 19 Areas and local Branches are grouped into Areas. The District Commissioners in each Area elect a voluntary Area Representative to co-ordinate and assist the activities of these Branches.

The Centre Membership Scheme began in 1998, designed for children who do not have their own ponies. It operates in conjunction with established riding centres, which have been approved by The Pony Club to participate in the scheme. They provide instruction and the additional benefits of Membership to young people who do not have their own pony.

Governance

The Board of Trustees is the ultimate authority of The Pony Club. Reporting to the Board are the Management Committee and the Chief Executive.

The Management Committee is responsible for the full range of equestrian activities, including Branch and Centre Membership, tack, dress, tests and competitions. The Trustees delegate their functions with regard to the equestrian activities of The Pony Club to committees. These committees are Training, Health & Safety, Centre Membership, Eventing, Show Jumping, Dressage, Mounted Games, Tetrathlon, Polo, Polocrosse, Endurance and Pony Racing. Each Committee generally appoints two Area Representatives to be committee members.

The Chief Executive is an employee of The Pony Club, responsible for administering the activities of The Pony Club and the Office within the policies and procedures established by the Board of Trustees and the Management Committee, and in accordance with statutory requirements and the approved budget.

Third Party Indemnity Insurance is in place in respect of the Trustees (as directors of the company).

Appointment of Trustees

Trustees of the charity are also company directors as a matter of company law.

The Pony Club

Trustees' annual report

For the year ended 31 December 2020

In accordance with the Articles of Association of The Pony Club, the Board of Trustees is responsible for the appointment of Trustees. Any Trustee who is appointed by the Board of Trustees will hold office until the next AGM or EGM, at which the Members of The Pony Club determine whether to re-appoint them as Trustees for a three-year term.

Trustees are appointed in accordance with the Articles of Association of The Pony Club. Two Trustees are appointed by the Area Representatives. Other Trustees are appointed by the Board of Trustees who also nominate the Treasurer of The Pony Club and a Trustee to represent Centre members. Trustees are eligible for reappointment, subject to a maximum term of nine years.

When there are vacancies for Trustees, these vacancies are advertised and applications are invited. The Trustees then review the applications and appoint new Trustees in line with the Articles of Association.

Trustee Induction and training

New Trustees attend a training day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the strategic plan, and the recent financial performance of the charity. During the induction day they meet key employees.

Related parties and relationships with other organisations

The Pony Club has a wholly owned subsidiary undertaking, The Pony Club Trading Limited.

Remuneration policy for key management personnel

Remuneration of key management personnel is set by the Board of Trustees.

Statement of responsibilities of the Trustees

The Trustees (who are also directors of The Pony Club for the purposes of company law) are responsible for preparing the Trustees' Annual 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 or group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently

Trustees' annual report

For the year ended 31 December 2020

- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

The Trustees are Members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report which includes the strategic report was approved by the Trustees on 22 July 2021 signed on their behalf by

T R G Vestey
Chairman

Opinion

We have audited the financial statements of The Pony Club (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2020 and of the group'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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

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 group financial statements section of our report. We are independent of the group and parent charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Pony Club's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the group financial statements themselves. 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.

Opinions 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 trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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, 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 parent charitable company'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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;

Independent auditor's report

to the Members of

The Pony Club

- The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Independent auditor's report

to the Members of

The Pony Club

Use of our report

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 section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Fleur Holden (Senior statutory auditor)

19 August 2021

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Pony Club

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2020

	Note	Unrestricted £	Restricted £	2020 Total £	Unrestricted £	Restricted £	2019 Total £
Income from:							
Donations and legacies	2	37,240	–	37,240	14,792	–	14,792
Charitable activities							
Subscriptions	3	1,853,281	–	1,853,281	2,371,335	–	2,371,335
Training	3	3,227,613	–	3,227,613	5,988,745	–	5,988,745
Competitions	3	980,257	–	980,257	3,117,835	–	3,117,835
Other trading activities	4	469,744	–	469,744	1,020,156	–	1,020,156
Investments	5	6,334	–	6,334	12,507	10	12,517
Other	6	115,634	93,930	209,564	247,778	50,774	298,552
Total income		6,690,103	93,930	6,784,033	12,773,148	50,784	12,823,932
Expenditure on:							
Raising funds	7	336,909	–	336,909	748,012	–	748,012
Charitable activities							
Training	7	4,868,073	–	4,868,073	8,278,617	41,171	8,319,788
Competitions	7	1,478,135	–	1,478,135	3,718,842	6,943	3,725,785
Total expenditure		6,683,117	–	6,683,117	12,745,471	48,114	12,793,585
Net income / (expenditure) for the year	8	6,986	93,930	100,916	27,677	2,670	30,347
Transfers between funds		73,452	(73,452)	–	–	–	–
Net movement in funds		80,438	20,478	100,916	27,677	2,670	30,347
Reconciliation of funds:							
Total funds brought forward		7,281,122	8,706	7,289,828	7,253,445	6,036	7,259,481
Total funds carried forward		7,361,560	29,184	7,390,744	7,281,122	8,706	7,289,828

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in note 24a to the financial statements.

The Pony Club

Balance sheets

Company no. 03072475

As at 31 December 2020

	Note	The group 2020 £	2019 £	The charity 2020 £	2019 £
Fixed assets:					
Intangible assets	13	317,271	397,096	317,271	397,096
Tangible assets	14	1,179,157	1,255,478	1,179,157	1,255,478
Investment in subsidiary undertaking	15	–	–	2	2
		1,496,428	1,652,574	1,496,430	1,652,576
Current assets:					
Stock	17	160,984	213,697	160,984	164,609
Debtors	18	509,063	424,693	574,965	468,011
Bank and building society deposits and investments	19	445,753	549,855	445,753	549,855
Bank current accounts and cash in hand	20	5,848,983	5,203,128	5,775,984	5,186,927
		6,964,782	6,391,373	6,957,686	6,369,402
Liabilities:					
Creditors: amounts falling due within one year	21	1,070,467	754,119	1,067,206	747,983
		5,894,316	5,637,254	5,890,480	5,621,419
Net current assets					
		7,390,744	7,289,828	7,386,910	7,273,995
Funds:	24a				
Restricted income funds		29,184	8,706	29,184	8,706
Unrestricted income funds:					
Designated funds		6,725,925	6,767,148	6,725,925	6,767,148
Non-charitable trading funds		3,834	15,833	–	–
General funds		631,801	498,141	631,801	498,141
Total unrestricted funds		7,361,560	7,281,122	7,357,726	7,265,289
Total funds		7,390,744	7,289,828	7,386,910	7,273,995

Approved by the trustees on 22 July 2021 and signed on their behalf by

T R G Vestey
Chariman

The Pony Club

Consolidated statement of cash flows

For the year ended 31 December 2020

	2020 £	£	2019 £	£
Cash flows from operating activities				
Net income for the reporting period (as per the statement of financial activities)	100,916		30,347	
Depreciation charges	270,643		336,302	
Loss on disposal	1,014		55,146	
Amortisation	33,138			
Impairment	108,000			
Investment income	(6,334)		(12,517)	
Decrease / (increase) in stock	52,713		(6,268)	
(Increase)/decrease in debtors	(84,370)		127,076	
Increase / (decrease) in creditors	317,333		(148,469)	
Net cash provided by operating activities		793,052		381,617
Cash flows from investing activities:				
Interest from investments	6,334		12,517	
Purchase of fixed assets	(195,335)		(327,210)	
Purchase of Intangible assets	(61,313)		(379,921)	
Net cash used in investing activities		(250,314)		(694,614)
Cash flows from financing activities:				
(Repayments) of borrowing	(986)		(286)	
Net cash (used in) financing activities		(986)		(286)
Change in cash and cash equivalents in the year		541,752		(313,283)
Cash and cash equivalents at the beginning of the year		5,752,983		6,066,266
Cash and cash equivalents at the end of the year		6,294,735		5,752,983
Analysis of cash and cash equivalents				
	At 1 January 2020 £	Cash flows £	Other changes £	At 31 December 2020 £
Bank and building society deposits and investments	549,855	(104,102)	–	445,753
Cash at bank and in hand	5,203,128	645,855	–	5,848,983
Total cash and cash equivalents	5,752,983	541,753	–	6,294,735

1 Accounting policies

a) Statutory information

The Pony Club is a charitable company limited by guarantee and is incorporated in England and Wales.
The registered office address and principal place of business is Stoneleigh Park, Kenilworth, Warwickshire, CV8 2RW.

b) Basis of preparation

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 (FRS 102) – (Charities SORP FRS 102), The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006/Charities Act 2011.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary The Pony Club Trading Limited on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two entities are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The nature of the estimation means the actual outcomes could differ from those estimates. Any significant estimates and judgements affecting these financial statements are detailed within the relevant accounting policy below. The accounts are prepared as full values however are presented to the nearest £1. This may cause small discrepancies in the financial statements

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern. Despite the lower than desired reserves held centrally, sufficient reserves are held across the organisation and the trustees have reviewed a rolling 24 months cash flow forecast in order to make this judgement which show no significant risk to the going concern position.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

1 Accounting policies (continued)

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. Designated funds are unrestricted funds earmarked by the trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of training, competition and supporting activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost against the activity based upon their proportional incomes.

i) Allocation of support costs

Expenditure is allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on revenue.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of revenue for each activity.

- | | |
|-----------------|-----|
| • Raising funds | 10% |
| • Training | 60% |
| • Competitions | 30% |

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Intangible assets

Items are capitalised where intangible assets generated exceed the value of £1,000. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Intangible assets will be amortised over a straight line basis over 5 years.

1 Accounting policies (continued)

l) Tangible fixed assets

Items of equipment are capitalised where the purchase price exceeds £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Freehold buildings	over 50 years
● Leasehold buildings	over the period of the lease
● Motor vehicles and caravans	over 4 years
● Fixtures and fittings	over 3 to 5 years
● Computer equipment	over 2 years
● Course equipment	over 1 to 10 years
● Improvements to leasehold property	over the life of the lease

m) Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Short term deposits

Short term deposits includes cash balances that are invested in accounts with a maturity date of between 3 and 12 months.

q) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

r) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

s) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

t) Taxation

The Pony Club is a registered charity and as such is exempt from income and corporation taxes under the provisions of the Income and Corporation Taxes Act 1998.

1 Accounting policies (continued)

u) Defined pension contribution scheme

Pension contributions are charged to income as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.

2 Income from donations and legacies

	2020			2019		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	restated Total £
Donations income	2,609	–	2,609	14,792	–	14,792
Government Grant – Coronavirus Job Retention Scheme	34,632	–	34,632	–	–	–
	37,240	–	37,240	14,792	–	14,792

2019 figures have been restated as branch fundraising income (note 4) having previously been classified as branch donations income. In the 2020 accounts they have been moved to branch fundraising income to better reflect the income profile. This adjustment is a reclassification and therefore had no impact of the prior year's net movement in funds.

3 Income from charitable activities

	2020			2019		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Branch subscriptions	1,298,662	–	1,298,662	1,639,451	–	1,639,451
Branch gift aid	203,555	–	203,555	285,705	–	285,705
Centre subscriptions	315,178	–	315,178	374,205	–	374,205
Centre gift aid	31,449	–	31,449	41,766	–	41,766
Centre affiliation fees	4,438	–	4,438	28,798	–	28,798
Overseas Branch affiliation fees	–	–	–	1,410	–	1,410
Sub-total for Subscriptions	1,853,281	–	1,853,281	2,371,335	–	2,371,335
Central training income	41,394	–	41,394	98,335	–	98,335
Branches training income	3,048,379	–	3,048,379	5,754,301	–	5,754,301
Areas training income	137,840	–	137,840	136,109	–	136,109
Sub-total for Training	3,227,613	–	3,227,613	5,988,745	–	5,988,745
Central competition income	15,395	–	15,395	223,771	–	223,771
Branches competition income	902,961	–	902,961	2,623,388	–	2,623,388
Areas competition income	61,901	–	61,901	270,676	–	270,676
Sub-total for Competitions	980,257	–	980,257	3,117,835	–	3,117,835
Total income from charitable activities	6,061,151	–	6,061,151	11,477,915	–	11,477,915

4 Income from other trading activities

	2020			2019		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Restated Total £
Trading subsidiary income	59,081	–	59,081	261,219	–	261,219
Branch fundraising income	410,663	–	410,663	758,937	–	758,937
	469,744	–	469,744	1,020,156	–	1,020,156

5 Income from investments

	2020			2019		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Central bank interest received	1,254	–	1,254	738	–	738
Branches bank interest received	5,080	–	5,080	11,769	10	11,779
	6,334	–	6,334	12,507	10	12,517

6 Other income

	2020			2019		
	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £
Central other income received	30,821	73,242	104,063	53,785	41,171	94,956
Branches other income received	81,997	20,688	102,685	155,287	9,603	164,890
Areas other income received	2,816	–	2,816	38,706	–	38,706
	115,634	93,930	209,564	247,778	50,774	298,552

The Pony Club

Notes to the financial statements

For the year ended 31 December 2020

7a Analysis of expenditure (current year)

	Cost of raising funds £	Charitable activities		Governance costs £	Support costs £	2020 Total £	2019 Total £
		Training £	Competitions £				
Costs directly allocated to charitable activities:							
Costs of camps	-	981,333	-	-	-	981,333	3,029,505
Costs of rallies and other training events	-	2,353,740	-	-	-	2,353,740	3,260,314
Costs of competitions	-	-	693,312	-	-	693,312	2,760,273
Support costs directly attributable to activities:							
Staff costs, travel and other expenses	-	43,033	63,733	-	-	106,766	163,228
Meeting costs	-	1,067	550	-	-	1,617	6,863
Area representatives	-	3,374	1,738	-	-	5,112	19,068
Centre membership	-	56,418	-	-	-	56,418	140,516
Young Equestrians	-	557	-	-	-	557	8,306
Branch costs	64,139	384,834	192,417	-	-	641,390	1,221,962
Branch depreciation	-	169,418	87,276	-	-	256,694	323,535
Public liability insurance	-	129,375	66,647	-	-	196,022	247,341
Indemnity insurance	-	-	-	14,028	-	14,028	14,028
Trustee expenses	-	-	-	1,027	-	1,027	13,327
Legal and professional	-	-	-	98,965	-	98,965	74,423
Fundraising and publicity	148,616	-	-	-	-	148,616	481,436
Support costs directly attributable by usage:							
Staff costs, travel and other expenses	-	-	-	-	512,779	512,779	446,763
Meeting costs	-	-	-	-	887	887	3,043
Irrecoverable VAT	-	-	-	-	68,053	68,053	192,393
Central depreciation	-	-	-	-	45,696	45,696	12,767
Impairment	-	-	-	-	108,000	108,000	-
Premises costs	-	-	-	-	134,472	134,472	132,375
Office costs	-	-	-	-	50,587	50,587	63,539
Accountancy and payroll	-	-	-	-	157,098	157,098	107,299
Other expenses	-	-	-	-	49,948	49,948	71,281
	212,755	4,123,149	1,105,673	114,020	1,127,520	6,683,117	12,793,585
Governance costs	11,402	68,412	34,206	(114,020)	-	-	
Support costs	112,752	676,512	338,256	-	(1,127,520)	-	-
Total expenditure 2020	336,909	4,868,073	1,478,135	-	-	6,683,117	
Total expenditure 2019	748,012	8,319,788	3,725,785	-	-		12,793,585

7b Analysis of expenditure (prior year)

	Cost of raising funds £	Charitable activities		Governance costs £	Support costs £	2019 Total £
		Training £	Competitions £			
Costs directly allocated to charitable activities:						
Costs of camps	-	3,029,505	-	-	-	3,029,505
Costs of rallies and other training events	-	3,260,314	-	-	-	3,260,314
Costs of competitions	-	-	2,760,273	-	-	2,760,273
Support costs directly attributable to activities:						
Staff costs, travel and other expenses	31,256	79,402	52,570	-	-	163,228
Meeting costs	-	462	6,401	-	-	6,863
Area representatives	-	12,585	6,483	-	-	19,068
Centre membership	-	140,516	-	-	-	140,516
Young Equestrians	-	8,306	-	-	-	8,306
Branch costs	122,196	733,177	366,589	-	-	1,221,962
Branch depreciation	-	213,533	110,002	-	-	323,535
Public liability insurance	-	163,245	84,096	-	-	247,341
Indemnity insurance	-	-	-	14,028	-	14,028
Trustee expenses	-	-	-	13,327	-	13,327
Legal and professional *	-	-	-	74,423	-	74,423
Fundraising and publicity	481,436	-	-	-	-	481,436
Support costs directly attributable by usage:						
Staff costs, travel and other expenses	-	-	-	-	446,763	446,763
Meeting costs	-	-	-	-	3,043	3,043
Irrecoverable VAT	-	-	-	-	192,393	192,393
Central depreciation	-	-	-	-	12,767	12,767
Premises costs	-	-	-	-	132,375	132,375
Office costs	-	-	-	-	63,539	63,539
Accountancy and payroll	-	-	-	-	107,299	107,299
Other expenses	-	-	-	-	71,281	71,281
	634,888	7,641,045	3,386,414	101,778	1,029,460	12,793,585
Governance costs	10,178	61,067	30,533	(101,778)	-	-
Support costs	102,946	617,676	308,838	-	(1,029,460)	-
Total expenditure 2019	748,012	8,319,788	3,725,785	-	-	12,793,585

Notes to the financial statements

For the year ended 31 December 2020

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):

	2020 £	2019 £
Depreciation	270,643	336,302
Loss on Disposal	(87,157)	(128,092)
Amortisation	33,138	-
Impairment	108,000	-
Operating lease rentals:		
Property	55,300	55,300
Other	5,315	5,315
Auditor's remuneration (excluding VAT):		
Audit	19,400	19,000
Under-provision in respect of prior year	-	4,605
Other services	850	4,562

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

Staff costs were as follows:

	2020 £	2019 £
Salaries and wages	636,459	528,436
Redundancy and termination costs (ex gratia)	-	4,500
Social security costs	60,709	48,531
Employer's contribution to defined contribution pension schemes	32,657	31,819
Casual and temporary staff costs	32,052	115,996
Health and life insurance costs	19,109	17,151
	780,986	746,433

Staff costs have been included under Accountancy & Payroll, £157,098 (2019 £107,299), Staff costs directly attributable to activities, £106,766 (2019 £163,228) and Staff costs directly attributable by usage £512,779 (2019 £446,763).

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2020 £	2019 £
£70,000 – £80,000	1	-

The total employee benefits (including employer pension contributions and employer's national insurance) of the key management personnel were £277,366 (2019: £221,845). The organisation considers key management personnel to be the Chief Executive, the Chief Operating Officer, Head of Finance, Head of Marketing and Head of Membership and Technology.

No trustee remuneration was paid to any trustees during the year. Trustees' expenses were reimbursed to 2 (2019: 7) trustees during the year.

Trustees' expenses represents the payment or reimbursement of costs as follows:

	2020 £	2019 £
Travel and subsistence costs	1,215	13,327

The Pony Club

Notes to the financial statements

For the year ended 31 December 2020

10 Staff numbers

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2020 No.	2019 No.
Training	1.2	1.8
Competitions	2.2	2.7
Fundraising	2.0	2.0
Other central functions	15.9	11.5
	<u>21.3</u>	<u>18.0</u>

The full-time equivalent average number of employees during the year was as follows:

	2020 No.	2019 No.
Training	1.2	1.8
Competitions	2.2	2.7
Fundraising	2.0	2.0
Other central functions	14.6	10.8
	<u>20.0</u>	<u>17.3</u>

11 Related party transactions

Andrew James (Trustee) – payments made to Mrs S James (wife) in relation to the supply of of rosettes £385 (2019 £650) and payments made to Mrs K Treharne (daughter) for coaching within Pony Club branches. This was an arm's length transaction and Mr James has had no involvement in the procurement of coaches. No balance is outstanding for these transactions at year end.

Tim Vestey (Trustee) – also a director of Thurlow Estate Farms Ltd (TEFL). Payments are made to TEFL for services provided and the use of facilities for Pony Club events (£5,139) (2019 £7,771) and payments are also made by TEFL (£1,462) (2019 £5,510) for the use of Pony Club cross country schooling facilities. At 31.12.20 TEFL was owed £3,000 (2019 £3,750) by the Pony Club in respect of the above transactions.

Aggregate donations from related parties were £0 (2019: £2,109).

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary The Pony Club Trading Limited gift aids any available profits to the parent charity. Its charge to corporation tax in the year was:

	2020 £	2019 £
UK corporation tax at 19%	<u>-</u>	<u>-</u>

13 Intangible fixed assets

The group and charity

Cost	CRM £	Website £	Total £
At the start of the year	328,983	68,113	397,096
Additions in year	61,313	–	61,313
At the end of the year	390,296	68,113	458,409
Amortisation			
At the start of the year	–	–	–
Charge for the year	19,515	13,623	33,138
Impairment	108,000	–	108,000
At the end of the year	127,515	13,623	141,138
Net book value			
At the end of the year	262,781	54,490	317,271
At the start of the year	328,983	68,113	397,096

The new CRM system went live during 2020.

14 Tangible fixed assets

The group and charity

Cost	Freehold property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
At the start of the year	782,520	10,757	1,346,100	2,580,564	4,719,941
Additions in year	–	–	22,731	172,604	195,335
Disposals in year	–	–	(13,173)	(74,998)	(88,171)
At the end of the year	782,520	10,757	1,355,658	2,678,170	4,827,105
Depreciation					
At the start of the year	59,548	1,854	1,185,348	2,217,713	3,464,463
Charge for the year	3,576	636	69,213	197,218	270,643
Eliminated on disposal	–	–	(12,958)	(74,199)	(87,157)
At the end of the year	63,124	2,490	1,241,602	2,340,732	3,647,948
Net book value					
At the end of the year	719,396	8,267	114,056	337,438	1,179,157
At the start of the year	722,972	8,903	160,753	362,851	1,255,479

All of the above assets are used for charitable purposes.

The Pony Club

Notes to the financial statements

For the year ended 31 December 2020

15 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of The Pony Club Trading Limited, a company registered in England (Registered address Stonleigh Park, Kenilworth CV8 2RW – company number 3294943). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2020 £	2019 £
Turnover	59,082	261,219
Cost of sales	(66,875)	(112,666)
Gross profit/(loss)	(7,793)	148,553
Administrative expenses	(4,206)	(118,887)
Profit / (loss) on ordinary activities before taxation	(11,999)	29,666
Taxation on profit on ordinary activities	–	–
Profit / (loss) for the financial year	(11,999)	29,666
Retained earnings		
Total retained earnings brought forward	15,835	15,835
(Loss) / Profit for the financial year	(11,999)	
Total comprehensive income for the year	–	29,666
Distribution under Gift Aid to parent charity	–	(29,666)
Total retained earnings carried forward	3,836	15,835
The aggregate of the assets, liabilities and reserves was:		
Assets	82,651	90,731
Liabilities	(78,813)	(74,894)
Reserves	3,838	15,837

Amounts owed from/to the parent undertaking are shown in notes 18 and 21 respectively.

16 Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2020 £	2019 £
Gross income	6,726,657	12,680,011
Result for the year	110,415	27,779

17 Stock

	The group		The charity	
	2020 £	2019 £	2020 £	2019 £
Goods for resale and issue to members	160,984	213,697	160,984	164,609
	160,984	213,697	160,984	164,609

18 Debtors

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors due after one year	68,497	68,497	68,497	68,497
Trade debtors due within one year	74,718	106,020	65,068	93,477
Amount owed by subsidiary undertaking	–	–	75,552	39,091
Gift Aid distributions owed by subsidiary undertaking	–	–	–	29,666
Prepayments and accrued income	365,848	250,176	365,848	237,280
	509,063	424,693	574,965	468,010

With the exception of the debtor described below, all of the group's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in notes 18, 19 and 20 below.

Trade debtors includes a long term debtor of £68,497 (2019: £68,497). This represents the ownership percentage that one of The Pony Club's branches has in a local riding school, measured at fair value. It is not anticipated to be sold within the next 12 months.

19 Bank and building society deposits and investments

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Central	4	163,090	4	163,090
Branches	445,749	386,765	445,749	386,765
	445,753	549,855	445,753	549,855

20 Bank current accounts and cash in hand

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Central	768,531	165,377	768,531	165,377
Branches	5,007,450	5,021,549	5,007,450	5,021,549
Trading subsidiary	73,002	16,202	–	–
	5,848,982	5,203,128	5,775,980	5,186,926

21 Creditors: amounts falling due within one year

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Other loans	3,624	4,610	3,624	4,610
Trade creditors	213,967	259,935	213,206	251,746
Amount owed to subsidiary undertaking	–	–	–	2,053
Taxation and social security	11,419	15,419	11,419	15,419
Other creditors	34,521	23,725	34,521	23,725
Accruals	200,078	140,115	220,161	140,115
Accrued Income	22,583	–	–	–
Deferred income (note 22)	584,274	310,315	584,274	310,315
	1,070,467	754,119	1,067,206	747,983

22 Deferred income

Deferred income comprises of income received for branch and centre membership and events taking place in the following financial year and .

	The group		The charity	
	2020	2019	2020	2019
	£	£	£	£
Balance at the beginning of the year	310,315	347,821	310,315	347,821
Amount released to income in the year	(310,315)	(347,821)	(310,315)	(347,821)
Amount deferred in the year	584,274	310,315	584,274	310,315
Balance at the end of the year	584,274	310,315	584,274	310,315

23a Analysis of group net assets between funds (current year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	14,855	1,164,302	–	1,179,157
Intangible assets	317,271	–	–	317,271
Net current assets	303,508	5,561,623	29,184	5,894,315
Net assets at 31 December 2020	635,635	6,725,925	29,184	7,390,744

23b Analysis of group net assets between funds (prior year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	23,834	1,231,644	–	1,255,478
Intangible assets	397,096	–	–	397,096
Net current assets	93,044	5,535,504	8,706	5,637,254
Net assets at 31 December 2019	513,974	6,767,148	8,706	7,289,828

24a Movements in funds (current year)

	At 1 January 2020	Income & gains	Expenditure & losses	Transfers	At 31 December 2020
	£	£	£	£	£
Restricted funds:					
Sport England	–	73,242	–	(73,452)	(210)
Other funds	8,706	20,688	–	–	29,394
Total restricted funds	8,706	93,930	–	(73,452)	29,184
Unrestricted funds:					
Designated funds:					
Branch / Area funds	6,767,148	6,284,124	(6,325,347)	–	6,725,925
Non charitable trading	15,833	59,081	(71,080)	–	3,834
General funds	498,141	346,898	(286,689)	73,452	631,801
Total unrestricted funds	7,281,122	6,690,103	(6,683,116)	73,452	7,361,560
Total funds	7,289,828	6,784,033	(6,683,116)	–	7,390,744

The narrative to explain the purpose of each fund is given at the foot of the note below.

24b Movements in funds (prior year)

	At 1 January 2019 £	Income & gains £	Expenditure & losses £	Transfers £	At 1 January 2020 £
Restricted funds:					
Sport England	–	41,171	(41,171)	–	–
Other funds	6,036	9,613	(6,943)	–	8,706
Total restricted funds	6,036	50,784	(48,114)	–	8,706
Unrestricted funds:					
Designated funds:					
Branch / Area funds	6,733,475	11,514,107	(11,480,434)	–	6,767,148
Non charitable trading	15,833	261,219	(261,219)	–	15,833
General funds	504,137	997,822	(1,003,818)	–	498,141
Total unrestricted funds	7,253,445	12,773,148	(12,745,471)	–	7,281,122
Total funds	7,259,481	12,823,932	(12,793,585)	–	7,289,828

Purposes of restricted funds

Due to COVID special dispensation was given by BEF to waive the requirement for the grants received from Sport England, which are channelled through the British Equestrian Federation, to be spent for specific purposes as defined in the grant offer letter.

Other funds represent funds received by individual branches or headquarters for specific projects as defined by the donor

Purposes of designated funds

Branch funds represent accumulated reserves of the individual Branches and Areas of The Pony Club. Although these reserves form part of the unrestricted funds of The Pony Club, Trustees recognise that in normal circumstances the funds will be used by the individual Branches to further the objectives of The Pony Club within their geographical area of activity. New designations represent income during the year and utilised funds represent expenditure for the year.

Non charitable trading funds are the reserves of the trading subsidiary.

25 Operating lease commitments payable as a lessee

The group's and the charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2020 £	2019 £	2020 £	2019 £
Less than one year	55,300	55,300	5,315	5,315
One to five years	110,600	165,900	–	–
	165,900	221,200	5,315	5,315

26 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The members of the company are the trustees named on page 2, plus the members of the Equestrian Council and the Branch Operations Directors. The liability of each member in the event of winding up is limited to £1.