

Company number: 03072475
Charity Number: 1050146

The Pony Club

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

Contents

For the year ended 31 December 2020

Reference and administrative information	2
Trustees' annual report	3
Independent auditor's report	14
Consolidated statement of financial activities (incorporating an income and expenditure account)	19
Balance sheets	20
Consolidated statement of cash flows	21
Notes to the financial statements	22

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.