

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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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

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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.

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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.

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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

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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.

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Trustees' annual report

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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

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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.

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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.

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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.

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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.

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Trustees' annual report

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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

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- 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)

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

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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.