

Company number: 03072475
Charity Number: 1050146

The Pony Club

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

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Reference and administrative information

For the year ended 31 December 2022

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

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

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

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

For the year ended 31 December 2022

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

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

Objectives and Activities

The Pony Club Charitable Purpose is:

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

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

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

The Pony Club Strategic Objectives are:

Membership

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

Charity

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

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Volunteers

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

Sustainability

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

Achievements in 2022 are assessed as follows:

Membership

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

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

Charity

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

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

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

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

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

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

Volunteers

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

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

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

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

Sustainability

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

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

Beneficiaries of our services

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

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

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

Financial review

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

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

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

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

Principal risks and uncertainties

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

Contagious Viruses and Diseases

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

Loss of Membership

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

Loss of volunteers and associated knowledge, experience and skills.

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

Adverse publicity and reputational damage

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

Reliance on Information Technology

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

Financial

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

Reserves Policy and going concern

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

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

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

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Plans for the future

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

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

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

Structure, governance and management

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

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

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

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

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

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

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

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

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

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

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

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

Governance

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

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

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

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

Appointment of Trustees

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

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

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

Trustee Induction and training

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

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Related parties and relationships with other organisations

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

Remuneration policy for key management personnel

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

Statement of responsibilities of the Trustees

The Trustees (who are also directors of The Pony Club for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

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

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Trustees' annual report

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

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

Auditor

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

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

T R G Vestey
Chairman

Opinion

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

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other Information

The other information comprises the information included in the trustees' annual report, including the strategic report, other than the group financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group financial statements does not cover the other information, and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the group financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Capability of the audit in detecting irregularities

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

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

Independent auditor's report

to the Members of

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

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

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

Independent auditor's report

to the Members of

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)

17 July 2023

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

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

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

For the year ended 31 December 2022

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

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

The Pony Club

Balance sheets

Company no. 03072475

As at 31 December 2022

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

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

T R G Vestey
Chairman

The Pony Club

Consolidated statement of cash flows

For the year ended 31 December 2022

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

1 Accounting policies

a) Statutory information

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

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

b) Basis of preparation

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

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

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

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

c) Public benefit entity

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

d) Going concern

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

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

e) Income

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

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

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

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

f) Accounting for Branches and Areas

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

1 Accounting policies (continued)

g) Interest receivable

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

h) Fund accounting

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

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

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

i) Expenditure and irrecoverable VAT

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

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

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

j) Allocation of support costs

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

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

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

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

k) Operating leases

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

l) Intangible assets

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

Notes to the financial statements

For the year ended 31 December 2022

1 Accounting policies (continued)

m) Tangible fixed assets

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

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

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

n) Investments in subsidiaries

Investments in subsidiaries are at cost.

o) Debtors

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

p) Short term deposits

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

q) Cash at bank and in hand

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

r) Creditors and provisions

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

s) Financial instruments

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

t) Defined pension contribution scheme

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

Notes to the financial statements

For the year ended 31 December 2022

2 Income from donations and legacies

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

3 Income from charitable activities

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

4 Income from other trading activities

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

Notes to the financial statements

For the year ended 31 December 2022

5 Income from investments

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

6 Other income

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

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

The Pony Club

Notes to the financial statements

For the year ended 31 December 2022

7a Analysis of expenditure (current year)

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

The Pony Club

Notes to the financial statements

For the year ended 31 December 2022

7b Analysis of expenditure (prior year)

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

Notes to the financial statements

For the year ended 31 December 2022

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):

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

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

Staff costs were as follows:

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

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

	2022 £	2021 £
£70,000 – £80,000	1	1

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

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

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

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

Notes to the financial statements

For the year ended 31 December 2022

10 Staff numbers

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

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

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

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

11 Related party transactions

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

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

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

12 Taxation

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

Notes to the financial statements

For the year ended 31 December 2022

13 Intangible fixed assets

The group and charity

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

14 Tangible fixed assets

The group and charity

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

All of the above assets are used for charitable purposes.

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

Notes to the financial statements

For the year ended 31 December 2022

15 Subsidiary undertaking

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

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

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

16 Parent charity

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

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

The Pony Club

Notes to the financial statements

For the year ended 31 December 2022

17 Debtors

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

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

18 Short term deposits

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

19 Cash at bank and in hand

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

20 Creditors: amounts falling due within one year

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

Notes to the financial statements

For the year ended 31 December 2022

21 Deferred income

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

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

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

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

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

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

23a Movements in funds (current year)

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

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

Notes to the financial statements

For the year ended 31 December 2022

23b Movements in funds (prior year)

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

Purposes of restricted funds

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

Purposes of designated funds

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

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

24 Operating lease commitments payable as a lessee

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

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

25 Legal status of the charity

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