

Company number: 03072475
Charity Number: 1050146

The Pony Club

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

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Reference and administrative information

For the year ended 31 December 2023

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

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

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

Bankers	Barclays Bank Plc 105 The Parade, Leamington Spa, CV32 4AZ
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Solicitors	DWF LLP One Snowhill, Birmingham, B4 6GA
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Reference and administrative information

For the year ended 31 December 2023

Auditor	Sayer Vincent LLP Chartered Accountant and Statutory Auditor 110 Golden Lane, London, EC1Y 0TG
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Trustees' annual report

For the year ended 31 December 2023

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

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

Objectives and Activities

The Pony Club Charitable Purpose is:

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

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

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

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

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

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

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

Strategic Report

The Pony Club Strategic Objectives are:

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

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

Achievements in 2023 are assessed as follows:

Membership

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

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

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Charity

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

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

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

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

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

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Volunteers

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

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

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

Sustainability

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

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

Beneficiaries of our services

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

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

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

Financial Review

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

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

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

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

Principal risks and uncertainties

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

Contagious Viruses and Diseases

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

Loss of Membership

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

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For the year ended 31 December 2023

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

Loss of volunteers and associated knowledge, experience and skills.

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

Adverse publicity and reputational damage

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

Reliance on Information Technology

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

Financial

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

Reserves Policy and going concern

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

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

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

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Trustees' annual report

For the year ended 31 December 2023

Structure, governance and management

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

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

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

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

Governance

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

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

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

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

Appointment of Trustees

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

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Trustees' annual report

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

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

Trustee Induction and training

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

Related parties and relationships with other organisations

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

Remuneration policy for key management personnel

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

Statement of Responsibilities of the Trustees

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

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

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent

Trustees' annual report

For the year ended 31 December 2023

- State whether applicable UK Accounting Standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

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

In so far as the Trustees are aware:

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

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

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

Auditor

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

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

T R G Vestey
Chairman

Independent auditor's report

to the Members of

The Pony Club

Opinion

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

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Independent auditor's report

to the Members of

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Other Information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Independent auditor's report

to the Members of

The Pony Club

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Capability of the audit in detecting irregularities

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

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

Independent auditor's report

to the Members of

The Pony Club

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

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

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

Use of our report

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

Independent auditor's report

to the Members of

The Pony Club

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

Fleur Holden (Senior statutory auditor)

30 September 2024

for and on behalf of Sayer Vincent LLP, Statutory Auditor

110 Golden Lane, LONDON, EC1Y 0TG

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

The Pony Club

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

For the year ended 31 December 2023

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

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

The Pony Club

Balance sheets

Company no. 03072475

As at 31 December 2023

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

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

T R G Vestey
Chairman

The Pony Club

Consolidated statement of cash flows

For the year ended 31 December 2023

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

Analysis of cash and cash equivalents

	At 1 Jan 23	Cashflows	Other changes £	At 31 December 2023 £
Short term deposits	60,091	–	2,018,901	2,078,992
Cash at bank and in hand	7,863,002	515,151	(2,018,901)	6,359,252
Total cash and cash equivalents	7,923,093	515,151	–	8,438,244

1 Accounting policies

a) Statutory information

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

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

b) Basis of preparation

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

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

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

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

c) Public benefit entity

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

d) Going concern

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

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

e) Income

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

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

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

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

f) Accounting for Branches and Areas

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

1 Accounting policies (continued)

g) Interest receivable

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

h) Fund accounting

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

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

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

i) Expenditure and irrecoverable VAT

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

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

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

j) Allocation of support costs

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

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

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

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

k) Operating leases

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

l) Intangible assets

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

1 Accounting policies (continued)

m) Tangible fixed assets

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

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

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

n) Investments in subsidiaries

Investments in subsidiaries are at cost.

o) Debtors

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

p) Short term deposits

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

q) Cash at bank and in hand

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

r) Creditors and provisions

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

s) Financial instruments

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

t) Defined pension contribution scheme

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

Notes to the financial statements

For the year ended 31 December 2023

2 Income from donations and legacies

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

3 Income from charitable activities

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

4 Income from other trading activities

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

Notes to the financial statements

For the year ended 31 December 2023

5 Income from investments

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

6 Other income

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

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

The Pony Club

Notes to the financial statements

For the year ended 31 December 2023

7a Analysis of expenditure (current year)

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

The Pony Club

Notes to the financial statements

For the year ended 31 December 2023

7b Analysis of expenditure (prior year)

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

Notes to the financial statements

For the year ended 31 December 2023

8 Net income / (expenditure) for the year

This is stated after charging / (crediting):

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

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

Staff costs were as follows:

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

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

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

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

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

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

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

10 Staff numbers

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

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

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

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

11 Related party transactions

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

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

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

12 Taxation

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

13 Intangible fixed assets

The group and charity

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

14 Tangible fixed assets

The group and charity

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

All of the above assets are used for charitable purposes.

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

Notes to the financial statements

For the year ended 31 December 2023

15 Subsidiary undertaking

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

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

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

16 Parent charity

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

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

Notes to the financial statements

For the year ended 31 December 2023

17 Debtors

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

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

18 Short term deposits

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

19 Cash at bank and in hand

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

20 Creditors: amounts falling due within one year

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

21 Creditors: amounts falling due after one year

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

Notes to the financial statements

For the year ended 31 December 2023

22 Deferred income

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

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

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

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

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

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

24a Movements in funds (current year)

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

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

24b Movements in funds (prior year)

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

Purposes of restricted funds

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

Purposes of designated funds

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

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

25 Operating lease commitments payable as a lessee

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

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

26 Legal status of the charity

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