

HORSES AND PONIES PROTECTION ASSOCIATION

England & Wales · Charity number 1085211

Details

Other names HAPPA

Status Registered

Legal form Charitable company

Company number [04062415](#)

Registered 2001-02-23

Register [View on the Charity Commission register](#)

Contact

Address Taylor Buildings
Shores Hey Farm
Halifax Road
Briercliffe
Burnley
BB10 3QU

Phone 01282455992

Email enquiries@happa.org.uk

Website www.happa.org.uk

Activities

Objects: TO PREVENT UNNECESSARY SUFFERING TO HORSES AND NEGLECT OF THEIR BODILY NEEDS BY ASSISTING IN THE ENFORCEMENT OF LAWS REGARDING HUMANE TREATMENT AND ENCOURAGING AND PROMOTING EDUCATION IN THE HUMANE TREATMENT OF HORSES

Activities: The charity owns a rescue centre in Lancashire. This is staffed by loyal employees who are trained and experienced in all aspects of horse welfare. At the year end, 67 equines were in residence in the centre. Additionally 256 equines were fostered in homes throughout the country.

Classification

- **How:** Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services
- **What:** Animals
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£1,663,788	£1,666,655	£4,348,783	48
2023-08-31	£1,288,767	£1,410,784	£3,270,269	45
2022-08-31	£1,035,651	£1,266,067	£3,402,217	44
2021-08-31	£721,687	£1,126,212	£3,756,693	42
2020-08-31	£1,407,153	£1,175,970	£3,986,961	48

Trustees

Name	Role	Appointed
PATRICIA WARREN	Chair	2012-02-17
ANNE GILL		2013-05-22
Hellen Elizabeth Perry		2023-05-23
Katherine Harrison Dibbits		2023-05-23

HORSES AND PONIES PROTECTION ASSOCIATION

England & Wales - Charity number 1085211

Accounts

Charity registration number 1085211 (England and Wales)

Company registration number 04062415

HORSES AND PONIES PROTECTION ASSOCIATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

HORSES AND PONIES PROTECTION ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	P A Warren (Chair) J M Farley FCA A Gill M Lonergan V Henderson K Dibbits H Perry
Secretary	S Arthur
Chief Executive Officer	S Arthur
Charity number (England and Wales)	1085211
Company number	04062415
Registered office	Taylor Building, Shores Hey Farm Halifax Road Blackhouse Lane Briercliffe BB10 3QU
Auditor	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB

HORSES AND PONIES PROTECTION ASSOCIATION

CONTENTS

	Page
Tuestees' report	1 - 8
Independent auditor's report	9 - 12
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the financial statements	16 - 27

HORSES AND PONIES PROTECTION ASSOCIATION

TUESTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2024

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)".

The Trustees are pleased to present their annual report, in the financial year ending 31 August 2024, income from legacies, visitors' centre, fundraising and other events have increased. This financial year the Trustees have invested income in site developments. These include the refurbishment of a stable block, visitor centre improvements, a heritage museum and roofing works. To complete the refurbishment works it was necessary to close facilities for six weeks, this inevitably has affected the amount of footfall to site during this time. This is reflected in the financial reporting.

At the date of approving these accounts the Trustees have a reasonable expectation that the Charity will be able to manage the situation, and it has sufficient cash resources to enable it to meet its liabilities, as they are due, for at least 12 months from the date of approval. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Objectives and activities

As defined in the governing document, to prevent unnecessary suffering to horses and neglect of their bodily needs by assisting in the enforcement of laws regarding humane treatment and encouraging and promoting education in the humane treatment of horses.

The HAPPA Strategy 2021-2026 outlines changes to the mission statement, values, and main beliefs. Our vision is every equine in our care deserves a second chance in a forever home. Mission is to strive to give a second chance to neglected, abused and unwanted equines through rescue, rehabilitation, rehoming, and education.

Thus, matching our hopes for every equine that comes into the Charity's care. The mission is the reason we develop other areas of operations to increase charitable income, enabling financial self-sufficiency and longevity. Education remains a focus due to the importance of every person caring for an equine possessing the necessary knowledge to meet its welfare needs.

HORSES AND PONIES PROTECTION ASSOCIATION

TUESTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Public benefit

The Trustees have followed the Charity Commissions guidance on Public Benefit in conducting their activities, through rescue, rehabilitation, rehoming, and education, as set out below. The activities of the Charity are available to all, irrespective of affordability through visiting, memberships; annual memberships fees have increased to £30 per year with reductions for senior members and a lifetime member option. Supporters are encouraged to become a Second Chance Sponsor and support the rehabilitation of a chosen equine. A minimum donation is payable for access to see the resident horses, a donation is not payable for members and sponsors.

Rescue

HAPPA's Equine Inspectors investigate over three hundred cases of cruelty and neglect each year, offering advice and support where possible and preventing cruelty by intervention and prosecution where necessary. They have a wide range of expertise on all aspects of equine welfare and are fully conversant with the laws relating to the application and implementation of equine legislation within the Animal Welfare Act 2006; Animals Act 1971; Horse Passport Regulations 2009; Control of Horses Act 2015. Equine Inspectors work collaboratively and inclusively with other welfare organisation enhancing the Charity's ability to conduct the core objective.

Rehabilitation

HAPPA has a fully equipped Rescue Centre to ensure that all rescued and abandoned animals are restored lovingly back to health. Our Centre, based in Lancashire has stabling for approximately sixty equines at any one time with a strong emphasis on rehabilitation and rehoming. We treat each animal as an individual and take great care to provide the right environment and care programme for them all. Our Centre team and facilities deliver consistent equine care and greater opportunities to all animals at Shores Hey Farm. Further developments this year have seen the refurbishment of an existing stable block, and the rubber matting system.

Through careful analysis of equine care resources, time, and workload the number of equines accommodated at Shores Hey Farm is now maintained to between 40 and 45, this has enabled the care team to concentrate solely on the rehabilitation of fewer allocated equines. As a result, significant improvements are seen in the ability to rescue and rehome equines.

Rehoming

All suitable equines are placed; in private homes through our legally binding loan scheme or those with specialist needs at the HAPPA Rescue Centre. Equine rehabilitation efficiency remains proficient. The average equine stay in centre period has increased in comparison to previous years, this is a concern due to increases in living costs people may be less likely to commit to the financial outlay of rehoming a horse from a rescue centre. The new Project Horse Scheme allows equines at retraining stage to find homes with competent equestrians.

Advice and education

The equine action team are always available to offer advice and guidance on all aspects of equine welfare. Educational horse care sessions are now held onsite throughout the year. The Charity provides a range of free information sheets covering a range of equine related topics. An exciting new junior club with the focus of pony care has been well received with subscriptions confirmed.

Centre accreditations received from The Pony Club, British Horse Society and the RoR alongside CPD training courses further strengthen the Charity's educational arm.

Online digital platforms and social media content has been tailored to offer advice and educate followers, further development of the Charity's online presence has resulted in an increase of brand awareness, followers, supporter demographic and customer engagement.

HORSES AND PONIES PROTECTION ASSOCIATION

TUESTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS

The Charity strives to give a second chance to neglected, abused and unwanted equines through rescue, rehabilitation, rehoming, and education. It aims to achieve its objectives by: -

Maintaining financial security

The Trustees conducted a comprehensive and in-depth review of the charity investment portfolio. After great consideration changes to the management of the portfolio were implemented. The Trustees sought professional advice throughout the review and continue to seek advice as and when necessary.

HAPPA is committed to maintaining financial security, the Charity has invested in the development of the onsite visitor centre café, shop, educational activities, and digital technology. Continuing to invest in marketing of legacies throughout. All will ensure the Charity's survival in unprecedented times.

The Charities onsite and online shop continues to enhance the customer offering. Income is generated through the sale of new and used equestrian items and farm themed gifts and toys. The shop is related to the charities core objectives by selling items that enhance the lives of equines. The shop is also a source of discounted, second hand, equestrian products for members of the public to purchase that are struggling financially. The associated ecommerce site is meeting the demands of a trend in safe online shopping.

The onsite visitors centre and café continues to offer high standards of customer care and satisfaction. This year a refurbishment has resulted in a larger kitchen and extended floor space on the second floor, the Trustees recognised that due to an increase in popularity the small existing kitchen was not fit for purpose. The new space is integral to the café meeting all modern Food Hygiene and Health and Safety standards and ensures that the kitchen staff can meet the demands of growing customer demands. Evening opening and seasonal events have again been well received. Local businesses, groups and clubs are encouraged to use the meeting rooms on the second floor during term time attracting an increased footfall to site.

By improving income generation through the development of a robust and current donor database, investment in legacy marketing initiatives and the development and delivery of comprehensive digital customer engagement and fundraising strategy the Charity hopes to maintain income at a sustainable level. Greater use of digital and technology, particularly social media will ensure that the brand is promoted to the widest audience possible, and that awareness and new income is generated.

Legacy Marketing - Our legacy leaflets and legacy booklets are kept under review and distributed to solicitors and other interested supporters. The legacy pages on the website are regularly reviewed and updated.

Donations - Donors can make a secure online donation before visiting the stables and are invited to contribute towards tangible projects via the Charity's magazines, website appeals and social media campaigns. Donations are also solicited through press releases highlighting latest rescues and through the introduction of mail shots. The donor database builds a robust and current contact list, and we now have the infrastructure in place to effectively support data capture. Further improvements to the utilisation of technology will allow for considerable growth in electronic marketing.

Horse Sponsorship Scheme -The Sponsorship Scheme enables supporters to sponsor horses under rehabilitation and in addition those equines helping to deliver the HAPPA educational offering. Enabling supporters to become part of offering all our rescue horses a second chance, whether this be in a forever home or assisting in delivering the educational offering at Shores Hey Farm. All the animals we rescue deserve a Second Chance of happiness; we work extremely hard to rehabilitate every animal admitted to the centre. The administration of this scheme also attracts donor retention.

Fundraising – The return of onsite fundraising activities in substantial funds from associated events and activities. Further focus will be seen moving forwards into the next financial year. The charity is certainly seeing a change in customer needs and wants, there is an increased need for an experience to be offered that supporters of all ages can enjoy.

Corporate Sponsorship Scheme - Enables local and international businesses to become involved in our work by sponsoring the care of a HAPPA horse or a stable block. Corporate Sponsors receive regular team updates on their sponsorship. Businesses are asked to celebrate our success, to champion when sponsored equines complete their rehabilitation.

Membership - Supporters are actively encouraged to 'Join the HAPPA Herd' and become a member; a membership policy statement is available, and the offering is open to as many members as possible, provided they are over eighteen and genuinely motivated by equine welfare. A review of membership may result in changes to the offering, careful consideration will be given to the benefits received by members.

HORSES AND PONIES PROTECTION ASSOCIATION

TUESTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Fundraising Practices

The Fundraising Manager organises and manages all fundraising events onsite and online. Co-ordinating the activities of our supporters both on site and outside of the Organisation. The Charity does not use professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

The Organisation has signed up to the Fundraising Regulator's Code of Fundraising Practice, as a result, all the fundraising guidance and working practices have been updated to ensure compliance. Volunteer fundraisers are now given a briefing before they raise funds for the Charity and will also be given forms to complete.

To protect vulnerable persons the development team undertakes all direct marketing to ensure that it is not unreasonably intrusive or persistent. Contact is made through direct marketing a maximum of three times a year but usually quarterly. All marketing material contain clear instructions on how a person can be removed from mailing lists. A complaints procedure is in place to protect persons that feel the Charity has not acted in their best interests.

Improving the general infrastructure of HAPPA

We are enthusiastic about ensuring that all staff can develop and complete appropriate training the Organisation has the required policies and procedures in place to support future development. This includes embracing new technologies that will benefit the organisation and further improve staff development systems and opportunities.

Staff training and development - A comprehensive staff onboarding procedure is in place. Combined with a modern appraisal system and enhanced opportunities for consultation and communication, staff motivation is high which will impact positively on staff retention levels. Staff are encouraged to attend internal and external training sessions e.g., fundraising, legacy workshops and horse management and participate in external meetings and conferences. Prosecution and PACE training has improved the efficiency and effectiveness of front-line staff and management training for those in a more senior role has enhanced knowledge and provided an informed and united workforce.

Professional Guidance – The Charity recognises that bespoke professional advice and support is necessary to ensure that the Organisation keeps abreast of changing legislation, manages its financial affairs appropriately and recruits and retains effective and motivated people. The Charity makes use of qualified consultants as and when necessary. In line with good practice, the Charity regularly tenders for professional services to ensure the best level of support at competitive rates.

Data Management - The team have worked hard across the Organisation to ensure that policies and procedures have been updated remaining fully compliant with relation to the General Data Protection Regulation (GDPR) as a result. To further reduce the risk of a data breach the Charity introduced a data management system, a data breach reporting procedure, in addition allocated management responsibilities with regards the proper management of supporter data and administration.

Staffing Structure – Management roles and titles have changed to match operational needs.

HORSES AND PONIES PROTECTION ASSOCIATION

TUESTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Developing the HAPPA Brand and developing public approval and awareness

A comprehensive Marketing Strategy is updated annually. Publications are constantly reviewed to promote Organisational initiatives and keep the brand fresh. The Charity's website has been redesigned and updated to address the two clear facets of our Organisation, highlighting the integrity of our equine welfare work, whilst highlighting our commercial activities and our role as a tourist destination, keeping our name at the forefront across all areas of our work. We continually review our public interface to help us deliver a more cohesive and contemporary brand identity that will see all new activities plus our existing core business being promoted in an exciting and innovative way. Promotional merchandise is kept under review and improved where appropriate.

Advertising – There is a structured approach to advertising, aiming to continue to focus on building brand awareness using hard copy and digital media. By raising brand awareness, the HAPPA brand will become much familiar, resulting in being attractive to potential donors.

Corporate Style – The HAPPA, HAPPA Direct and Café logos are the recognisable brands associated with our charitable operations, depicted by the rearing horse. The closure of the conferencing suites in 2020 has been a catalyst to dispersing with the previous multifaceted branding approach.

Pursuing activities that prevent cruelty and suffering to equines.

This is achieved by improving equine accommodation at the Centre, by providing guidance to personnel and members of the public who engage in assessing equines.

Equine accommodation plus additional Centre facilities - During the year, the Charity has continued to maintain and improve the facilities to a high standard, providing the absolute best facilities for equine care and rehabilitation plus a great experience for visitors to the site. A stable block of sixteen stables, tack room and feed room have recently been refurbished. Funding will be sought this year for a replacement horse trailer.

Training – Workshops and educational days are held at Shores Hey Farm to highlight appropriate methods of safely approaching, controlling, and managing equines, these are currently held onsite. Both employed personnel and members of the public benefit from these workshops.

Education - The educational offering has been developed by way of offering additional adult and child training days, with the focus of improving standards of equine care in the local community. The introduction of a club for young people to join and learn about caring for a horse correctly has been welcomed by the local community.

Systems – A complete review and upgrade of existing systems has allowed for the introduction of policies and protocols to better manage animals requiring accommodation and those currently in our care.

Improving the HAPPA experience for volunteers, visitors, and supporters

Improving visitor facilities at Shores Hey Farm and further developing the volunteer programme:

Visitor facilities – The Evolution of Equine Welfare Museum is a welcome addition to the site enhancing the customer and educational experience. Reception, activities room, shop, indoor arena, onsite play area, education room and second handbook shop are open 7 days a week. Shores Hey Farm stable areas and outbuilding are also open; the café is open and is accepting walk-ins and table reservations.

The Visitor's Centre- Including the Café is well supported by members of the public. The introduction of a business hub has encouraged footfall during off peak times. Evening events are fully booked, and their popularity continues to rise.

Volunteer Management - the vital role that volunteers play in delivering HAPPA services and in raising funds has always been recognised and resulted in the development of key volunteer roles and volunteer packs for people that are interested.

Achievements

During the year, the charity has achieved its objectives by attending two over two hundred complaints of cruelty and neglect, accepting twenty-seven needy equines and rehoming twenty-five equines on permanent loan. At the year-end forty-five equines were in residence at the Rescue Centre, and two hundred and thirty-two equines accommodated in homes through our loan scheme.

Shores Hey Farm has seen visitor numbers of over fifteen thousand during the financial year, an increase in comparison to the year prior. There is an expected increase in the 2024/2025 financial year.

The Charity has been able to educate a thousand members of the public on how to care for horses correctly through the delivery of horse care courses and experience days at Shores Hey Farm.

HORSES AND PONIES PROTECTION ASSOCIATION

TUESTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Financial review

The financial statements set out on pages 11 to 25 show a net movement in funds for the year amounting to £50,336 and net assets of £4,348,783 on 31st August 2024. £1.028m of this relates to revaluation of the land and buildings.

The net movement in funds:

Operating deficit	£2,867
Investment gains	£53,203

Legacies continue to be the core but volatile source of income for the Charity and the charity is actively working to increase the awareness of the charity to members and the public and encourage them to include legacies to the Charity in their wills. Legacy income in the year has increased from £745,519 to £1,108,018 an increase of £362,499 in comparison to last financial year.

In common with other charities, income from other voluntary sources has fallen.

The Trustees have considered the most appropriate policy for investing funds and have appointed investment managers to work towards a target return agreed by the Trustees.

Reserves policy

The Trustees have reviewed the reserves of the charity. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves.

The review concluded that to allow the Charity to continue the current activities a general reserve equivalent to £2 million should be maintained. This equates to approximately two years of unrestricted fund expenditure.

At the year end the Charity's general reserve, not already allocated to building projects nor invested in fixed assets, amounted to £1,095,239.

Designated reserves established for fixed assets amounts to £3,253,544.

The Trustees consider the current reserves to be sufficient.

LAND AND BUILDINGS

In the opinion of the Trustees there is a significant difference between the market value and the book value of the Charity's interest in land and buildings. Therefore a valuation has been sought and the land and buildings has been included in the current year at the revalued amount.

Risks

The Board have identified three main areas of risk that the Organisation is exposed to.

These are: -

The availability of finance to allow the operations to continue.

Damage to HAPPA's reputation.

Health and safety of staff and volunteers.

Risk management

HAPPA's risk management strategy: -

Ensures that risk management is a prime consideration within the Organisation's culture and its approach to operational activities; ensures that potential risks are identified at the planning stage and a raft of options are agreed as to how best to identify and manage potential risks; ensures that internal controls are in place to effectively manage risks as they arise; ensures that professional advice is sought and insurance or other arrangements put in place to manage the impact of unavoidable risks.

HORSES AND PONIES PROTECTION ASSOCIATION

TUESTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Plans for future periods

The Charity has seen consistent income from fundraising, and trading activities, a substantial increase in legacy income in comparison to the previous financial year. Focus on financial self-sufficiency and reducing the reliance on legacy income remains. The Charity will continue to respond to reports of equine cruelty and neglect, ensuring exacting standards of care for resident equines. Equine rehoming numbers have remains consistent however returns to the centre from borrower homes have increase. The Trustee's feel is due to the increases in the cost of living.

As trading activities develop a trading subsidiary is a consideration for the Board of Trustees, advice on the matter will be sought. A site valuation will be completed and reported in this financial year.

The Board of Trustees will closely monitor the situation; all will continue to safely further the Charity's objectives and activities, as detailed above.

Structure, governance and management

The Charity is a Limited Company, registration no. 4062415, governed by its Memorandum and Articles of Association revised 4th December 2012 and is registered with the Charity Commission, no. 1085211.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

P A Warren (Chair)
J M Farley FCA
A Gill
M Lonergan
V Henderson
K Dibbits
H Perry

Recruitment and appointment of trustees

All Trustees are appointed in accordance with article 7 of the Company's Articles of Association. The Trustees are aware of the necessity to maintain and improve the level of competence in the equine, commercial and professional areas. The Trustees are also aware of the need to recruit members to ensure continuity of services into the future. The application and recruitment process has seen updates in literature regarding the posts and thorough selection processes put in place, ensuring that applicants with the appropriate specialist skill sets and personal interests are appointed as Trustees.

Organisational structure

Founded in 1937 to help fight against the transportation of large horses to the continent for slaughter, HAPPA continues to play a major role in all aspects of equine welfare. Instrumental in achieving better protection for horses with the Riding Establishments Act, The Ponies Act 1969, The Illegal Tethering Act 1991 and by setting up the National Equine Welfare Committee 1997, HAPPA continues to campaign for improvements to existing legislation to ensure that horses, ponies, and donkeys are protected from cruelty and neglect.

Induction and training of trustees

All Trustees complete an induction process that includes elements on governance and the role of a trustee within the Organisation. Training of Trustees is usually informal as the majority are long standing or have been appointed for their specialist business or equine knowledge.

HORSES AND PONIES PROTECTION ASSOCIATION

TUESTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Management responsibilities

HAPPA's Board of Trustees convene every three to four months to monitor the affairs of the Organisation and to set policy and agree expenditure. Board meetings are currently held at the Centre with social distancing and hygiene measures. The Annual General Meeting is held in May. The Board seek advice on matters such as finance, insurance, health and safety, human resources, marketing to ensure best practice is always followed. Decision making is made at Board level or delegated, by agreement, to the Chief Executive Officer. Financial expenditure is decided at Board level although expenditure to an agreed level can be authorised by the Chief Executive Officer. Operational Management is the responsibility of the Chief Executive Officer who works with the senior management team to ensure the Organisation's day-to-day affairs are managed effectively.

Statement of trustees' responsibilities

The trustees, who are also the directors of Horses and Ponies Protection Association for the purpose of company law, are responsible for preparing the Trustees' 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

In accordance with the company's articles, a resolution proposing that PM+M Solutions for Business LLP be reappointed as auditor of the company will be put at a General Meeting.

The trustees' report was approved by the Board of Trustees.



.....

P Warren

Trustee

Date: 14/03/2025
.....

HORSES AND PONIES PROTECTION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF HORSES AND PONIES PROTECTION ASSOCIATION

Opinion

We have audited the financial statements of Horses and Ponies Protection Association (the 'charity') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 financial statements* section of our report. We are independent of the charity 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 charity'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 annual report other than the 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 financial statements does not cover the other information and 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 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 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

HORSES AND PONIES PROTECTION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HORSES AND PONIES PROTECTION ASSOCIATION

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose 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 charity'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 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 as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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, is detailed below.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

HORSES AND PONIES PROTECTION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HORSES AND PONIES PROTECTION ASSOCIATION

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- . the nature of the industry and sector, control environment and business performance including the design of the Charity's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- . results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- . any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
 - the matters discussed among the audit engagement team including significant component audit teams and involving relevant specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals and complex transactions; and manipulating the Charity's performance profit measures and other key performance indicators to meet remuneration targets and externally communicated targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, Charities Act, employment law, health and safety regulations, pensions legislation and tax legislation.

HORSES AND PONIES PROTECTION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF HORSES AND PONIES PROTECTION ASSOCIATION

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the identified risks of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

PM+M Solutions for Business LLP

Ceri Dixon BSc (Hons) FCA (Senior Statutory Auditor)

For and on behalf of PM+M Solutions for Business LLP, Statutory Auditor

Chartered Accountants

New Century House

Greenbank Technology Park

Challenge Way

Blackburn

Lancashire

BB1 5QB

Date: 17/03/2025

PM+M Solutions for Business LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

HORSES AND PONIES PROTECTION ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted funds 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income and endowments from:					
Donations and legacies	3	1,174,276	789,379	21,527	810,906
Charitable activities	4	31,987	27,998	-	27,998
Other trading activities	5	363,824	364,587	-	364,587
Investments	6	24,343	25,295	-	25,295
Other income	7	69,358	59,981	-	59,981
Total income		1,663,788	1,267,240	21,527	1,288,767
Expenditure on:					
Raising funds	8	649,609	590,940	-	590,940
<u>Charitable activities</u>					
Equine welfare	9	910,324	734,504	41,699	776,203
Support costs	9	41,124	46,055	-	46,055
Total charitable expenditure		951,448	780,559	41,699	822,258
Other expenditure	13	65,598	(2,413)	-	(2,413)
Total expenditure		1,666,655	1,369,086	41,699	1,410,785
Net gains/(losses) on investments	14	53,203	(9,931)	-	(9,931)
Net income/(expenditure)		50,336	(111,777)	(20,172)	(131,949)
Other recognised gains and losses:					
Revaluation of tangible fixed assets		1,028,179	-	-	-
Net movement in funds	10	1,078,515	(111,777)	(20,172)	(131,949)
Reconciliation of funds:					
Fund balances at 1 September 2023		3,270,268	3,382,045	20,172	3,402,217
Fund balances at 31 August 2024		4,348,783	3,270,268	-	3,270,268

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

HORSES AND PONIES PROTECTION ASSOCIATION

BALANCE SHEET

AS AT 31 AUGUST 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	16		-		679
Tangible assets	17		3,253,544		2,142,365
Investments	18		612,665		657,796
			<u>3,866,209</u>		<u>2,800,840</u>
Current assets					
Stocks	19	20,516		24,203	
Debtors	20	174,317		327,986	
Cash at bank and in hand		349,300		186,426	
		<u>544,133</u>		<u>538,615</u>	
Creditors: amounts falling due within one year	21	<u>(61,559)</u>		<u>(69,187)</u>	
Net current assets			<u>482,574</u>		<u>469,428</u>
Total assets less current liabilities			<u>4,348,783</u>		<u>3,270,268</u>
The funds of the charity					
Unrestricted funds	22	3,320,604		3,270,268	
Unrestricted funds - revaluation	22	1,028,179		-	
		<u>4,348,783</u>		<u>3,270,268</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the trustees on 14/03/2025

P Warren

.....
P Warren
Trustee

Company registration number 04062415 (England and Wales)

HORSES AND PONIES PROTECTION ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24		286,930		(78,527)
Investing activities					
Purchase of tangible fixed assets		(237,055)		(29,876)	
Purchase of investments		(867,571)		(45,783)	
Proceeds from disposal of investments		956,227		119,761	
Investment income received		24,343		25,295	
Net cash (used in)/generated from investing activities			(124,056)		69,397
Net cash generated from financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			162,874		(9,130)
Cash and cash equivalents at beginning of year			186,426		195,556
Cash and cash equivalents at end of year			<u>349,300</u>		<u>186,426</u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Charity information

Horses and Ponies Protection Association is a private company limited by guarantee incorporated in England and Wales. The registered office is Taylor Building, Shores Hey Farm, Halifax Road, Blackhouse Lane, Briercliffe, BB10 3QU.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "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)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% straight line
----------	-------------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Stables and equipment	10% reducing balance
Fixtures and fittings	10% - 30% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

1 Accounting policies

(Continued)

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Donations and gifts	<u>1,174,276</u>	<u>-</u>	<u>1,174,276</u>	<u>789,379</u>	<u>21,527</u>	<u>810,906</u>
Donations and gifts						
Donations and subscriptions	<u>66,258</u>	<u>-</u>	<u>66,258</u>	<u>43,416</u>	<u>21,527</u>	<u>64,943</u>
Gift Aid donations including tax reclaim	<u>-</u>	<u>-</u>	<u>-</u>	<u>444</u>	<u>-</u>	<u>444</u>
Legacies and bequests	<u>1,108,018</u>	<u>-</u>	<u>1,108,018</u>	<u>745,519</u>	<u>-</u>	<u>745,519</u>
	<u>1,174,276</u>	<u>-</u>	<u>1,174,276</u>	<u>789,379</u>	<u>21,527</u>	<u>810,906</u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

4 Income from charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Charitable activities		
Membership fees	6,626	7,413
Loan scheme	6,772	6,600
Cross agency fees	1,400	5,917
Educational days	17,189	8,068
	<u>31,987</u>	<u>27,998</u>

5 Income from other trading activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Merchandising sales	89,927	81,918
Visitor centre sales	266,115	271,551
Facilities hire	7,782	11,118
	<u>363,824</u>	<u>364,587</u>
Other trading activities		

6 Income from investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Income from listed investments	13,120	19,897
Interest receivable	11,223	5,398
	<u>24,343</u>	<u>25,295</u>

7 Other income

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Other income	69,358	59,981

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

8 Expenditure on raising funds

	Unrestricted funds	Total	Unrestricted funds	Total
	2024	2024	2023	2023
	£	£	£	£
Fundraising and publicity				
Purchases	8,355	8,355	4,494	4,494
Fundraising costs	9,945	9,945	1,924	1,924
Advertising	23,176	23,176	7,228	7,228
Other fundraising costs	15,978	15,978	10,909	10,909
Staff costs	202,470	202,470	199,267	199,267
	<u>259,924</u>	<u>259,924</u>	<u>223,822</u>	<u>223,822</u>
Trading costs				
Cafe				
Purchases	134,157	134,157	141,809	141,809
Staff costs	152,300	152,300	132,791	132,791
Shop				
Purchases	34,896	34,896	40,384	40,384
Staff costs	62,707	62,707	47,111	47,111
	<u>384,060</u>	<u>384,060</u>	<u>362,095</u>	<u>362,095</u>
Investment management	5,625	5,625	5,023	5,023
Total costs	<u><u>649,609</u></u>	<u><u>649,609</u></u>	<u><u>590,940</u></u>	<u><u>590,940</u></u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

9 Expenditure on charitable activities

	Equine welfare 2024 £	Support costs 2024 £	Total 2024 £	Equine welfare 2023 £	Support costs 2023 £	Total 2023 £
Direct costs						
Staff costs	466,886	-	466,886	403,656	-	403,656
Depreciation and impairment	89,130	-	89,130	74,124	-	74,124
Wages	-	15,028	15,028	-	11,898	11,898
Social security	-	1,446	1,446	-	1,029	1,029
Accountancy and payroll fees	-	5,036	5,036	-	14,771	14,771
Bank charges	-	8,865	8,865	-	8,241	8,241
Auditors remuneration	-	9,500	9,500	-	8,864	8,864
Trustee indemnity insurance	-	1,249	1,249	-	1,252	1,252
Legal and professional fees	8,004	-	8,004	6,499	-	6,499
Establishment costs including insurance	94,959	-	94,959	93,647	-	93,647
Computer expenses	26,483	-	26,483	-	-	-
Repairs, maintenance and replacement	99,618	-	99,618	85,051	-	85,051
Office expenses	8,717	-	8,717	6,000	-	6,000
Printing, posting, stationery and newsletters	5,409	-	5,409	9,076	-	9,076
Animal feedstuff, veterinary fees and miscellaneous costs	82,733	-	82,733	81,685	-	81,685
Motor expenses	28,385	-	28,385	25,329	-	25,329
Other charitable expenditure	-	-	-	(8,864)	-	(8,864)
	<u>910,324</u>	<u>41,124</u>	<u>951,448</u>	<u>776,203</u>	<u>46,055</u>	<u>822,258</u>
Analysis by fund						
Unrestricted funds	910,324	41,124	951,448	734,504	46,055	780,559
Restricted funds	-	-	-	41,699	-	41,699
	<u>910,324</u>	<u>41,124</u>	<u>951,448</u>	<u>776,203</u>	<u>46,055</u>	<u>822,258</u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

10 Net movement in funds	2024	2023
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	9,500	8,864
Depreciation of owned tangible fixed assets	91,502	73,449
Loss/(profit) on disposal of tangible fixed assets	65,598	(2,413)
Amortisation of intangible assets	679	680
	<u> </u>	<u> </u>

11 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

Trustees indemnity insurance amounted to £1,249 (2023 - £827). Donations of £100 (2023 - £100) were received from trustees in the year.

12 Employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Administration	11	13
Animal welfare	23	22
Visitor centre	15	9
	<u> </u>	<u> </u>
Total	49	44
	<u> </u>	<u> </u>

Employment costs

	2024	2023
	£	£
Wages and salaries	884,363	782,825
	<u> </u>	<u> </u>

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024	2023
	Number	Number
£60,000 - £69,000	1	-
	<u> </u>	<u> </u>

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2024	2023
	£	£
Aggregate compensation	68,309	-
	<u> </u>	<u> </u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

12 Employees

(Continued)

The key management personnel of the entity comprise of the Chief Executive Officer.

13 Other expenditure

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Net loss on disposal of tangible fixed assets	<u>65,598</u>	<u>(2,413)</u>

14 Gains and losses on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Gains/(losses) arising on:		
Revaluation of investments	<u>53,203</u>	<u>(9,931)</u>

15 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

16 Intangible fixed assets

	Software £
Cost	
At 1 September 2023 and 31 August 2024	<u>13,904</u>
Amortisation and impairment	
At 1 September 2023	13,225
Amortisation charged for the year	<u>679</u>
At 31 August 2024	<u>13,904</u>
Carrying amount	
At 31 August 2024	<u>-</u>
At 31 August 2023	<u>679</u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

17 Tangible fixed assets

	Freehold land and buildings £	Stables and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 September 2023	2,491,655	468,805	167,149	121,605	3,249,214
Additions	105,172	76,408	55,475	-	237,055
Disposals	-	(22,111)	(98,137)	(529)	(120,777)
Revaluation	1,028,179	-	-	-	1,028,179
At 31 August 2024	3,625,006	523,102	124,487	121,076	4,393,671
Depreciation and impairment					
At 1 September 2023	595,012	333,376	84,665	93,797	1,106,850
Depreciation charged in the year	47,673	21,188	12,638	10,003	91,502
Eliminated in respect of disposals	-	(7,141)	(51,084)	-	(58,225)
At 31 August 2024	642,685	347,423	46,219	103,800	1,140,127
Carrying amount					
At 31 August 2024	2,982,321	175,679	78,268	17,276	3,253,544
At 31 August 2023	1,896,643	135,429	82,485	27,808	2,142,365

18 Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2023	657,796
Additions	867,572
Valuation changes	43,524
Disposals	(956,227)
At 31 August 2024	612,665
Carrying amount	
At 31 August 2024	612,665
At 31 August 2023	657,796

Investments having a market value of £612,665 (2023 - £657,796) are listed on a recognised stock exchange.

19 Stocks

	2024 £	2023 £
Raw materials and consumables	20,516	24,203

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

20 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	2,069	1,247
Other debtors	41,132	458
Prepayments and accrued income	131,116	326,281
	<u>174,317</u>	<u>327,986</u>

21 Creditors: amounts falling due within one year

	2024	2023
	£	£
Other taxation and social security	18,723	20,714
Trade creditors	29,366	32,107
Other creditors	417	713
Accruals and deferred income	13,053	15,653
	<u>61,559</u>	<u>69,187</u>

22 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. Included in unrestricted funds is £1.028m which relates to a revaluation reserve due to the revaluation of the land and buildings. This does not form part of the general unrestricted funds.

	At 1 September 2023	Incoming resources	Resources expended	Gains and losses	At 31 August 2024
	£	£	£	£	£
General funds	3,270,268	1,663,788	(1,666,655)	53,203	3,320,604
Revaluation reserve	-	-	-	1,028,179	1,028,179
	<u>3,270,268</u>	<u>1,663,788</u>	<u>(1,666,655)</u>	<u>1,081,382</u>	<u>5,372,766</u>
Previous year:					
	At 1 September 2022	Incoming resources	Resources expended	Gains and losses	At 31 August 2023
	£	£	£	£	£
General funds	3,382,045	1,267,240	(1,369,086)	(9,931)	3,270,268
	<u>3,382,045</u>	<u>1,267,240</u>	<u>(1,369,086)</u>	<u>(9,931)</u>	<u>3,270,268</u>

23 Related party transactions

There were no disclosable related party transactions during the year (2023 - none).

There have been trustee donations of £100 in the year. (2023 - £100)

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

24 Cash generated from/(absorbed by) operations	2024	2023
	£	£
Surplus/(deficit) for the year	50,336	(131,947)
Adjustments for:		
Investment income recognised in statement of financial activities	(24,343)	(25,295)
Loss/(gain) on disposal of tangible fixed assets	62,552	(1,926)
Fair value gains and losses on investments	(43,524)	9,931
Amortisation and impairment of intangible assets	679	-
Depreciation and impairment of tangible fixed assets	91,502	74,129
Movements in working capital:		
Decrease/(increase) in stocks	3,687	(4,161)
Decrease/(increase) in debtors	153,669	(26,110)
(Decrease)/increase in creditors	(7,628)	26,852
Cash generated from/(absorbed by) operations	286,930	(78,527)

HORSES AND PONIES PROTECTION ASSOCIATION

England & Wales - Charity number 1085211

Accounts

Horses and Ponies Protection Association

Report of the Trustees and Financial Statements

for the Year ended 31 August 2023

HORSES AND PONIES PROTECTION ASSOCIATION

CONTENTS

	Page
Reference and Administrative Details	2
Report of the Trustees	3
Statement of Trustees Responsibilities	11
Report of the Independent Auditors	12
Statement of Financial Activities	15
Balance Sheet	16
Statement of cashflows	17
Notes to the Financial Statements	18

HORSES AND PONIES PROTECTION ASSOCIATION

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2023

Trustees	P A Warren (Chair) J M Farley FCA A Gill M Lonergan V Henderson K Dibbits H Perry
Company Secretary	S Arthur
Chief Executive Officer	S Arthur
Registered Office	Taylor Building, Shores Hey Farm Blackhouse Lane, off Halifax Road Briercliffe Burnley Lancashire BB10 3QU
Registered Company Number	04062415 (England and Wales)
Registered Charity Number	1085211
Auditor	MHA Moore and Smalley LLP Chartered Accountants Richard House Winckley Square Preston PR1 3HP
Bankers	Yorkshire Bank 14 Broadway Bradford West Yorkshire BD1 1EZ National Westminster Bank 2 Howe Walk Burnley Lancashire BB11 1QD
Investment Advisor	Investec Wealth & Investment Limited 3 Wellington Place Leeds LS1 4AP Brewin Dolphin Ltd 10 Wellington Place Leeds LS1 4AN

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (effective October 2019).

The full name of the charity is Horses and Ponies Protection Association and is known more generally as HAPPA.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees are pleased to present their annual report, in the financial year ending 31 August 2023, income from legacies, visitors' centre, fundraising and other events have significantly increased.

At the date of approving these accounts the Trustees have a reasonable expectation that the Charity will be able to manage the situation and it has sufficient cash resources to enable it to meet its liabilities, as they are due, for at least 12 months from the date of approval. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Governing document

The Charity is a Limited Company, registration no. 4062415, is governed by its Memorandum and Articles of Association revised 4th December 2012 and is registered with the Charity Commission, no. 1085211.

Recruitment and appointment of trustees

All Trustees are appointed in accordance with article 7 of the Company's Articles of Association. The Trustees are aware of the necessity to maintain and improve the level of competence in the equine, commercial and professional areas. The Trustees are also aware of the need to recruit members to ensure continuity of services into the future. The application and recruitment process has seen updates in literature regarding the posts and a thorough selection processes put in place, ensuring that applicants with the appropriate specialist skill sets and personal interests are appointed as Trustees.

Training and induction of trustees

All Trustees complete an induction process that includes elements on governance and the role of a trustee within the Organisation. Training of Trustees is usually informal as the majority are long standing or have been appointed for their specialist business or equine knowledge.

Management responsibilities

HAPPA's Board of Trustees convene every three to four months to monitor the affairs of the Organisation and to set policy and agree expenditure. Board meetings are currently held at the Centre with social distancing and hygiene measures. The Annual General Meeting is held in May. The Board seek advice on matters such as finance, insurance, health and safety, human resources, marketing etc to ensure best practice is always followed. Decision making is made at Board level or delegated, by agreement, to the Chief Executive Officer. Financial expenditure is decided at Board level although expenditure to an agreed level can be authorised by the Chief Officer. Operational Management is largely the responsibility of the Chief Officer who works with the senior management team to ensure the Organisation's day-to-day affairs are managed effectively.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2023

Risks

The Board have identified three main areas of risk that the Organisation is exposed to.

These are: -

The availability of finance to allow the operations to continue.

Damage to HAPPA's reputation.

Health and safety of staff and volunteers.

Risk management

HAPPA's risk management strategy: -

Ensures that risk management is a prime consideration within the Organisation's culture and its approach to operational activities; ensures that potential risks are identified at the planning stage and a raft of options are agreed as to how best to identify and manage potential risks; ensures that internal controls are in place to effectively manage risks as they arise; ensures that professional advice is sought and insurance or other arrangements put in place to manage the impact of unavoidable risks.

ABOUT HAPPA

Founded in 1937 to help fight against the transportation of large horses to the continent for slaughter, HAPPA continues to play a major role in all aspects of equine welfare. Instrumental in achieving better protection for horses with the Riding Establishments Act, The Ponies Act 1969, The Illegal Tethering Act 1991 and by setting up the National Equine Welfare Committee 1997, HAPPA continues to campaign for improvements to existing legislation to ensure that horses, ponies, and donkeys are protected from cruelty and neglect.

Charitable objectives

As defined in the governing document, to prevent unnecessary suffering to horses and neglect of their bodily needs by assisting in the enforcement of laws regarding humane treatment and encouraging and promoting education in the humane treatment of horses.

The HAPPA Strategy 2021-2026 outlines changes to the mission statement, values, and main beliefs. Our vision is every equine in our care deserves a second chance in a forever home. Mission is to strive to give a second chance to neglected, abused and unwanted equines through rescue, rehabilitation, rehoming, and education.

Adjustments have been made to match our hopes for every equine that comes into the Charity's care. The mission is the reason we develop other areas of operations to increase charitable income, enabling financial self-sufficiency and longevity. Education remains a focus due to the importance of every person caring for an equine possessing the necessary knowledge to meet its welfare needs.

Public benefit

The Trustees have followed the Charity Commissions guidance on Public Benefit in carrying out their activities, through rescue, rehabilitation, rehoming, and education, as set out below. The activities of the Charity are available to all, irrespective of affordability through visiting, memberships; annual memberships are currently fixed at £20 with reductions for senior members. Supporters are encouraged to become a Second Chance Sponsor and support the rehabilitation of a chosen equine. A minimum donation is payable for access to see the resident horses, a donation is not payable for members and sponsors.

Rescue

HAPPA's Equine Inspectors investigate over 300 cases of cruelty and neglect each year, offering advice and support where possible and preventing cruelty by intervention and prosecution where necessary. They have a wide range of expertise on all aspects of equine welfare and are fully conversant with the laws relating to the application and implementation of equine legislation within the Animal Welfare Act 2006; Animals Act 1971; Horse Passport Regulations 2009; Control of Horses Act 2015.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2023

Rehabilitation

HAPPA has a fully equipped Rescue Centre to ensure that all rescued and abandoned animals are restored lovingly back to health. Our Centre, based in Lancashire has stabling for approximately 50 equines at any one time with a strong emphasis on rehabilitation and rehoming. We treat each animal as an individual and take great care to provide the right environment and care programme for them all. Our Centre team and facilities has been expanded to deliver more consistent equine care and to offer greater opportunities to all animals at Shores Hey Farm, further developments have seen the refurbishment of existing out buildings into a new Equine Assessment Unit enabling the separation of equines returning from loan homes from rescued equines susceptible to zoonotic and contagious diseases housed in the Isolation Unit. This facility enables a timely turnaround of low risk HAPPA horses.

Through careful analysis of equine care resources, time, and workload the number of equines accommodated at Shores Hey Farm is now maintained to between 40 and 45, this has enabled the care team to concentrate solely on the rehabilitation of fewer allocated equines. As a result, significant improvements are seen in the ability to rescue and rehome equines.

Rehoming

All suitable equines are placed; in private homes through our legally binding loan scheme or those with specialist needs at the HAPPA Rescue Centre. Equine rehabilitation efficiency remains proficient. The average equine stay in centre timeframe has increased in comparison to previous years, this is a concern due to increases in living costs people may be less likely to commit to the financial outlay of rehoming a horse from a rescue centre. The new Project Horse Scheme allows equines at retraining stage to find homes with competent equestrians.

Advice and education

The equine action team are always available to offer advice and guidance on all aspects of equine welfare. Educational horse care sessions are now held onsite throughout the year. The Charity provides a range of free information sheets covering a range of equine related topics. An exciting new junior club with the focus of pony care has been well received with many subscribed to the offering.

Online digital platforms and social media content has been tailored to offer advice and educate followers, further development of the Charity's online presence has resulted in an increase of brand awareness, followers, supporter demographic and customer engagement.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2023

OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS

The Charity aims to prevent suffering, cruelty and neglect of equines through rescue, rehabilitation, rehoming and education. It aims to achieve its objectives by:-

Maintaining financial security

HAPPA is committed to maintaining financial security, the Charity has invested in the development of the onsite shop, educational activities, and digital technology. Continuing to invest in marketing of legacies throughout. All will ensure the Charity's survival in unprecedented times.

The conference suites have now been utilised for the expansion of the onsite shop. Within this space income is generated through sale of new and used equestrian items and farm themed gifts and toys. The shop is directly related to the charities core objectives by selling items that enhance the lives of equines. The shop is also a source of discounted, second hand, equestrian products for members of the public to purchase that are struggling financially. Online auctions are generating extra income and an associated ecommerce site is meeting the demands of a trend in safe online shopping.

The onsite café re-opened in June 2021, alongside reopening a new menu launched with the visiting customer in mind. Feedback and sales have been promising with further developments to include evening opening and seasonal events seen in 2022.

By improving income generation through the development of a robust and current donor database, investment in legacy marketing initiatives and the development and delivery of comprehensive digital customer engagement and fundraising strategy the Charity hopes to maintain income at a sustainable level. Greater use of digital and technology, particularly social media will ensure that the brand is promoted to the widest audience possible, and that awareness and new income is generated.

Legacy Marketing - Our legacy leaflets and legacy booklets are kept under review and distributed to solicitors and other interested supporters. The legacy page on the website is regularly reviewed and updated. Active on-going reviews of all administration relating to legacy management will create return.

Donations - Donors can make a secure online donation before visiting the stables and are invited to contribute towards tangible projects via the Charity's magazines, website appeals and social media campaigns. Donations are also solicited through press releases highlighting latest rescues and through the introduction of mail shots. The donor database builds a robust and current contact list, and we now have the infrastructure in place to effectively support data capture. Further improvements to the utilisation of technology will allow for considerable growth in electronic marketing.

Horse Sponsorship Scheme - This year a rebrand and relaunch of the Sponsorship Scheme will enable supporters to sponsor horses under rehabilitation and in addition those equines helping to deliver the HAPPA educational offering. The new scheme will continue to enable our supporters to become part of offering all our rescue horses a second chance, whether this be in a forever home or assisting in delivering the educational offering at Shores Hey Farm. All the animals we rescue deserve a Second Chance of happiness; we work very hard to rehabilitate every animal admitted to the centre. We are anticipating a significant increase to current sponsor figures during the 2023/24 financial year. The administration of this scheme also attracts donor retention.

Corporate Sponsorship Scheme – Enables local and international businesses to become involved in our work by sponsoring the care of a HAPPA horse or a stable block. Corporate Sponsors receive regular team updates on their sponsorship. Businesses are asked to celebrate our success, to champion when sponsored equines complete their rehabilitation.

Membership - Supporters are actively encouraged to 'Join the HAPPA Herd' and become a member; a membership policy statement is available, and the offering is open to as many members as possible, provided they are over eighteen and genuinely motivated by equine welfare. Fees for the offering are staying consistent; however, the benefits for becoming a member of the Organisation have increased.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2023

Fundraising Practices

The Head of Marketing and Fundraising organises and manages all fundraising events onsite and online. Co-ordinating the activities of our supporters both on site and outside of the Organisation. The Charity does not use professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

The Organisation has signed up to the Fundraising Regulator's Code of Fundraising Practice, as a result, all the fundraising guidance and working practices have been updated to ensure compliance. Volunteer fundraisers are now given a briefing before they raise funds for the Charity and will also be given forms to complete.

To protect vulnerable persons all direct marketing is undertaken by the development team to ensure that it is not unreasonably intrusive or persistent. Contact is made through direct marketing a maximum of three times a year but usually quarterly. All marketing material contain clear instructions on how a person can be removed from mailing lists. A complaints procedure is in place to protect persons that feel the Charity has not acted in their best interests.

Improving the general infrastructure of HAPPA

We are passionate about ensuring that all staff can develop and complete appropriate training. The Organisation has the required policies and procedures in place to support future development. This includes embracing new technologies that will benefit the organisation and further improve staff development systems and opportunities.

Staff training and development - A comprehensive staff induction scheme is in place. Combined with a modern appraisal system and enhanced opportunities for consultation and communication, staff motivation is high which will impact positively on staff retention levels. Staff are encouraged to attend internal and external training sessions e.g., fundraising, legacy workshops and horse management and participate in external meetings and conferences. Prosecution and PACE training has improved the efficiency and effectiveness of front-line staff and management training for those in a more senior role enhanced knowledge and provided for a more informed and united workforce.

Professional Guidance – The Charity recognises that bespoke professional advice and support is necessary to ensure that the Organisation keeps abreast of changing legislation, manages its financial affairs appropriately and recruits and retains effective and motivated people. The Charity makes use of qualified consultants as and when necessary. In line with good practice, the Charity regularly tenders for professional services to ensure the best level of support at competitive rates.

Data Management - The team have worked hard across the Organisation to ensure that policies and procedures have been updated and improved to ensure compliance with relation to the General Data Protection Regulation (GDPR) as a result; an alternative data management system was sourced in 2019, a data breach reporting procedure put in place and the allocation of responsibility with regards the proper management of supporter data and associated administration.

Staffing Structure – Remains the same, there are no plans to change the staffing structure moving forwards.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2023

Developing the HAPPA Brand and developing public approval and awareness

OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS

The Charity strives to give a second chance to neglected, abused and unwanted equines through rescue, rehabilitation, rehoming, and education. It aims to achieve its objectives by: -

Maintaining financial security

HAPPA is committed to maintaining financial security, the Charity has invested in the development of the onsite café, shop, educational activities, and digital technology. Continuing to invest in marketing of legacies throughout. All will ensure the Charity's survival in unprecedented times.

The Charities onsite and online shop has been rebranded and relaunched to enhance the offering. Income is generated through the sale of new and used equestrian items and farm themed gifts and toys. The shop is directly related to the charities core objectives by selling items that enhance the lives of equines. The shop is also a source of discounted, second hand, equestrian products for members of the public to purchase that are struggling financially. The associated ecommerce site is meeting the demands of a trend in safe online shopping.

The onsite visitors centre and café continues to offer high standards of customer care and satisfaction. The addition of evening opening and seasonal events have been well received. Development plans involve refurbishment of the existing building.

By improving income generation through the development of a robust and current donor database, investment in legacy marketing initiatives and the development and delivery of comprehensive digital customer engagement and fundraising strategy the Charity hopes to maintain income at a sustainable level. Greater use of digital and technology, particularly social media will ensure that the brand is promoted to the widest audience possible, and that awareness and new income is generated.

Legacy Marketing - Our legacy leaflets and legacy booklets are kept under review and distributed to solicitors and other interested supporters. The legacy page on the website is regularly reviewed and updated.

Donations - Donors can make a secure online donation before visiting the stables and are invited to contribute towards tangible projects via the Charity's magazines, website appeals and social media campaigns. Donations are also solicited through press releases highlighting latest rescues and through the introduction of mail shots. The donor database builds a robust and current contact list, and we now have the infrastructure in place to effectively support data capture. Further improvements to the utilisation of technology will allow for considerable growth in electronic marketing.

Horse Sponsorship Scheme -This year a rebrand and relaunch of the Sponsorship Scheme will enable supporters to sponsor horses under rehabilitation and in addition those equines helping to deliver the HAPPA educational offering. The new scheme will continue to enable our supporters to become part of offering all our rescue horses a second chance, whether this be in a forever home or assisting in delivering the educational offering at Shores Hey Farm. All the animals we rescue deserve a Second Chance of happiness; we work very hard to rehabilitate every animal admitted to the centre. The administration of this scheme also attracts donor retention.

Fundraising – The return of onsite fundraising activities has resulted in increased income from associated events and activities. Further focus will be seen moving forwards into the next financial year. The charity is certainly seeing a change in customer needs and wants, there is an increased need for an experience to be offered that supporters of ages can enjoy.

Corporate Sponsorship Scheme - Enables local and international businesses to become involved in our work by sponsoring the care of a HAPPA horse or a stable block. Corporate Sponsors receive regular team updates on their sponsorship. Businesses are asked to celebrate our success, to champion when sponsored equines complete their rehabilitation.

Membership - Supporters are actively encouraged to 'Join the HAPPA Herd' and become a member; a membership policy statement is available, and the offering is open to as many members as possible, provided they are over eighteen and genuinely motivated by equine welfare. A review of membership may result in changes to the offering, careful consideration will be given to the benefits received by members.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2023

Fundraising Practices

The Head of Marketing and Fundraising organises and manages all fundraising events onsite and online. Co-ordinating the activities of our supporters both on site and outside of the Organisation. The Charity does not use professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

The Organisation has signed up to the Fundraising Regulator's Code of Fundraising Practice, as a result, all the fundraising guidance and working practices have been updated to ensure compliance. Volunteer fundraisers are now given a briefing before they raise funds for the Charity and will also be given forms to complete.

To protect vulnerable persons all direct marketing is undertaken by the development team to ensure that it is not unreasonably intrusive or persistent. Contact is made through direct marketing a maximum of three times a year but usually quarterly. All marketing material contain clear instructions on how a person can be removed from mailing lists. A complaints procedure is in place to protect persons that feel the Charity has not acted in their best interests.

Improving the general infrastructure of HAPPA

We are passionate about ensuring that all staff can develop and complete appropriate training the Organisation has the required policies and procedures in place to support future development. This includes embracing new technologies that will benefit the organisation and further improve staff development systems and opportunities. Staff training and development - A comprehensive staff induction scheme is in place. Combined with a modern appraisal system and enhanced opportunities for consultation and communication, staff motivation is high which will impact positively on staff retention levels. Staff are encouraged to attend internal and external training sessions e.g., fundraising, legacy workshops and horse management and participate in external meetings and conferences. Prosecution and PACE training has improved the efficiency and effectiveness of front-line staff and management training for those in a more senior role has enhanced knowledge and provided an informed and united workforce.

Professional Guidance – The Charity recognises that bespoke professional advice and support is necessary to ensure that the Organisation keeps abreast of changing legislation, manages its financial affairs appropriately and recruits and retains effective and motivated people. The Charity makes use of qualified consultants as and when necessary. In line with good practice, the Charity regularly tenders for professional services to ensure the best level of support at competitive rates.

Data Management - The team have worked hard across the Organisation to ensure that policies and procedures have been updated remaining fully compliant with relation to the General Data Protection Regulation (GDPR) as a result. To further reduce the risk of a data breach the Charity introduced a data management system, a data breach reporting procedure, in addition allocated management responsibilities with regards the proper management of supporter data and administration.

Staffing Structure – Remains the same, there are no plans to change the staffing structure moving forwards.

Developing the HAPPA Brand and developing public approval and awareness

A comprehensive Marketing Strategy is updated annually. Publications are constantly reviewed to promote Organisational initiatives and keep the brand fresh. The Charity's website has been redesigned and updated to address the two clear facets of our Organisation, showcasing the integrity of our equine welfare work, whilst highlighting our commercial activities and our role as a tourist destination, keeping our name at the forefront across all areas of our work. We continually review our public interface to help us deliver a more cohesive and contemporary brand identity that will see all new activities plus our existing core business being promoted in an exciting and innovative way. Promotional merchandise is kept under review and improved where appropriate. Advertising – There is a structured approach to advertising, aiming to continue to focus on building brand awareness using hard copy and digital media. By raising brand awareness, the HAPPA brand will become much familiar, resulting in being attractive to potential donors.

Corporate Style – The HAPPA logo and HAPPA Direct logo are the recognisable brands associated with our charitable operations. The closure of the conferencing suites in 2020 has been a catalyst to dispersing with the previous multifaceted branding approach.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2023

Pursuing activities that prevent cruelty and suffering to equines.

This is achieved by improving equine accommodation at the Centre, by providing guidance to personnel and members of the public who are involved in assessing equines.

Equine accommodation plus additional Centre facilities - During the year the Charity has continued to maintain and improve the facilities to a high standard, providing the very best facilities for equine care and rehabilitation plus a great experience for visitors to the site. Three stables has recently been refurbished and the Charity successfully securing funding for a utility vehicle.

Training – Workshops and educational days are held at Shores Hey Farm to highlight appropriate methods of safely approaching, controlling, and handling equines, these are currently held onsite. Both employed personnel and members of the public benefit from these workshops.

Education - The educational offering has been developed by way of offering additional adult and child training days, with the focus of improving standards of equine care in the local community. The introduction of a club for young people to join and learn about caring for a horse correctly has been welcomed by the local community.

Systems – A complete review and upgrade of existing systems has allowed for the introduction of policies and protocols to better manage animals requiring accommodation and those currently in our care.

Improving the HAPPA experience for volunteers, visitors, and supporters

Improving visitor facilities at Shores Hey Farm and further developing the volunteer programme:

Visitor facilities – Reception, activities room, shop, indoor arena, onsite play area, education room and second handbook shop are open 7 days a week. Shores Hey Farm stable areas and outbuilding are also open; the café is open and is accepting walk-ins and table reservations.

The Visitor's Centre- Including the Café is well supported by members of the public. The introduction of a business hub has encouraged footfall during off peak times. Evening events are fully booked, and their popularity continues to rise.

Volunteer Management - the vital role that volunteers play in delivering HAPPA services and in raising funds has always been recognised and resulted in the development of key volunteer roles and volunteer packs for people that are interested.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2023

Achievements

During the year the charity has achieved its objectives by attending 228 complaints of cruelty and neglect, accepting 30 needy equines, and rehoming 27 equines on permanent loan. At the year-end 39 equines were in residence at the Rescue Centre, and 238 equines accommodated in homes through our loan scheme.

Shores Hey Farm has seen visitor numbers of 14,573 during the financial year, an in comparison to the year prior. There is an expected increase in the 2023/2024 financial year.

The Charity has been able to educate 907 members of the public on how to care for horses correctly through the delivery of horse care courses and experience days at Shores Hey Farm.

FINANCIAL REVIEW

The financial statements set out on pages 11 to 25 show a net movement in funds for the year amounting to (£131,948) and net assets of £3,270,269 at 31st August 2023.

The net movement in funds:

Operating deficit	(£122,017)
Investment gains	(£9,931)

Legacies continue to be the core but volatile source of income for the Charity and the charity is actively working to increase the awareness of the charity to members and the public and encourage them to include legacies to the Charity in their wills. Legacy income in the year has increased from £556k to £745k an increase of £189k in comparison to last financial year.

In common with many other charities, income from other voluntary sources has fallen.

The Trustees have considered the most appropriate policy for investing funds and have appointed investment managers to work towards a target return agreed by the Trustees.

RESERVES POLICY

The Trustees have reviewed the reserves of the charity. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. The review concluded that to allow the Charity to continue the current activities a general reserve equivalent to £2 million should be maintained. This equates to approximately two years of unrestricted fund expenditure. At the year end the Charity's general reserve, not already allocated to building projects nor invested in fixed assets, amounted to £1,125,117

Designated reserves are established for fixed assets amounting £2,145,152

The Trustees consider the current reserves to be sufficient.

LAND AND BUILDINGS

In the opinion of the Trustees there is no significant difference between the market value and the book value of the Charity's interest in land and buildings. However, seeking an up to date valuation will be given consideration.

PLANS FOR FUTURE PERIODS

The Charity has seen an increase of income from legacies, fundraising, and trading activities this year in comparison to the previous financial year. Focus on financial self-sufficiency and reducing the reliance on legacy income remains. The Charity will continue to respond to reports of equine cruelty and neglect, ensuring high standards of care for resident equines. Equine rehoming numbers have decreased. a reduction that the Trustees feel is largely due to the increases seen in the cost of living.

As trading activities develop a trading subsidiary will be considered by the Board of Trustees, advice on the matter will be sought. For financial stability investments will be made in the development of onsite facilities. The situation will be monitored closely by the Board of Trustees; all will continue to safely further the Charity's objectives and activities, as detailed above.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2023

PLANS FOR FUTURE PERIODS

The Charity has seen an increase of income from fundraising and trading activities this year in comparison to the previous financial year due to Government restrictions being lifted. The Charity will continue to respond to reports of equine cruelty and neglect, ensuring high standards of care for resident equines by following Government restrictions and guidelines in relation to social distancing and hygiene. Rehoming of equines will continue whilst restrictions allow it. Equine throughput has decreased by 28%, a reduction that the Trustees feel is largely due to the increases seen in the cost of living.

The Trustees recognise that Government imposed Corona Virus and the cost-of-living crisis will influence income from immediate and future charitable activities, reserves will be utilised as and when needed to ensure financial security. For financial stability investments will be made in the development of onsite and online income generating activities and advances in digital technology. Alongside this focus has shifted to developing the charities online, educational and customer experience offerings.

The situation will be monitored closely by the Board of Trustees; all will continue to safely further the Charity's objectives and activities, as detailed above.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies act 2006 relating to small companies.

25/03/2024

Approved by order of the board of trustees on and signed on its behalf by :

P A Warren

.....
P A Warren – Trustee

HORSES AND PONIES PROTECTION ASSOCIATION

STATEMENT OF TRUSTEE RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2023

The trustees (who are also the directors of Horses and Ponies Protection Association for the purposes of company law) are responsible for preparing the Report of the Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- Select suitable accounting policies and then apply them consistently ;
- Observe the methods and principles in the Charity SORP 2015 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards 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 charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 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 auditors are unaware; and
- 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 auditors are aware of that information

HORSES AND PONIES PROTECTION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of Horses and Ponies Protection Association (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31 August 2023, and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 financial statements section of our report. We are independent of the 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 charitable company'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 trustees are responsible for the other information contained within the Report of the Trustees. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

HORSES AND PONIES PROTECTION ASSOCIATION
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 AUGUST 2023

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' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report; or

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the 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 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 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

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.

HORSES AND PONIES PROTECTION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 AUGUST 2023

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 specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Reviewing minutes of meetings of those charged with governance;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.
- Review revenue transactions around the year end to ensure they have been appropriately recorded in the period to which the revenue relates.

Because of the field in which the client operates we identified that employment law, health and safety legislation and compliance with the UK Companies Act are the areas most likely to have a material impact on the financial statements.

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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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. Our audit work has been undertaken so that we might state to the 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.

Nicola Mason (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Nicola Mason

Richard House
9 Winckley Square
Preston
PR1 3HP

..28/03/2024.....

HORSES AND PONIES PROTECTION ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31 AUGUST 2023

		Unrestricted general funds	Restricted funds	Total funds Year ended 31 August 2023	Total funds Year ended 31 August 2022
Income and endowments from:	Note	£	£	£	£
Donations and legacies	2	789,379	21,527	810,906	685,039
Charitable activities	3	27,998	-	27,998	15,638
Other trading activities	4	364,587	-	364,587	273,135
Investments	5	25,295	-	25,295	19,848
Other	6	59,981	-	59,981	41,991
Total income		1,267,240	21,527	1,288,767	1,035,651
Expenditure on:					
Raising funds	7	411,038	-	411,038	250,285
Charitable activities					
Equine welfare	8	958,047	41,699	999,746	1,015,782
Total expenditure		1,369,085	41,699	1,410,784	1,266,067
Net deficit before movement on investments		(101,845)	(20,172)	(122,017)	(230,416)
Net gains/(losses) on investments		(9,931)	-	(9,931)	(124,060)
Net income/(expenditure)		(111,776)	(20,172)	(131,948)	(354,476)
Reconciliation of funds					
Total funds brought forward		3,382,045	20,172	3,402,217	3,756,693
Total funds carried forward		3,270,269	-	3,270,269	3,402,217

HORSES AND PONIES PROTECTION ASSOCIATION

BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Fixed assets					
Intangible assets	14	679	-	679	1,359
Tangible assets	15	2,142,365	-	2,142,365	2,181,418
Investments	16	657,796	-	657,796	744,301
		<u>2,800,840</u>	<u>-</u>	<u>2,800,840</u>	<u>2,927,078</u>
Current assets					
Stock		24,202	-	24,202	20,042
Debtors	17	327,986	-	327,986	301,876
Cash at bank and in hand		186,426	-	186,426	195,556
		<u>538,614</u>	<u>-</u>	<u>538,614</u>	<u>517,474</u>
Creditors: amounts falling due within one year	18	(69,187)	-	(69,187)	(42,335)
Net current assets		<u>469,427</u>	<u>-</u>	<u>469,427</u>	<u>475,139</u>
Total assets less current liabilities		3,270,267	-	3,270,267	3,402,217
Net assets		<u>3,270,269</u>	<u>-</u>	<u>3,270,269</u>	<u>3,402,217</u>
Funds					
Unrestricted funds		3,270,269	-	3,270,269	3,382,045
Restricted Funds		-	-	-	20,172
	20	<u>3,270,269</u>	<u>-</u>	<u>3,270,269</u>	<u>3,402,217</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

25/03/2024

The financial statements were approved by the Board of Trustees on and were signed on its behalf by :

P A Warren

P A Warren – Trustee

Company number: 04062415 (England and Wales)

HORSES AND PONIES PROTECTION ASSOCIATION
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash generated (used in)/ generated by in operating activities	21	<u>(78,527)</u>	<u>(317,101)</u>
Cash flows from investing activities			
Investment income		25,295	19,848
Purchase of fixed assets		(29,876)	(24,109)
Purchase of investments		(45,783)	(23,980)
Proceeds on disposal of investments		119,761	244,239
Cash (used in)/provided by investing activities		<u>69,397</u>	<u>215,998</u>
(Decrease)/Increase in cash and cash equivalents in the year		(9,130)	(101,103)
Cash and cash equivalents at the beginning of the year		195,556	296,659
Total cash and cash equivalents at the end of the year		<u>186,426</u>	<u>195,556</u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparing the financial statements

The financial statements of the charitable company 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)(effective October 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Horses and Ponies Protection Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

Preparation of the accounts on a going concern basis

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Grant income is recognised when the charity is entitled to the funds. This include income in respect of the coronavirus job retention scheme and the retail and hospitality grant.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs include central functions and have been allocated to charity cost categories on a basis consistent with the use of resource, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES – continued

Intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	- 20% p.a. straight line
----------	--------------------------

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold interest in land and buildings	- 2% p.a. straight line
Stables and equipment	- 10% p.a. on reducing balance
Fixtures and fittings	- 10% -30% p.a. on reducing balance
Motor vehicles	- 25% p.a. on reducing balance

Stocks

Stocks are valued at the lower cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The company is a registered charity and to the extent that its income is applied on the specific charitable objects of the charity is exempt from taxation. Income receivable in respect of non primary purpose trade is taxable.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES – continued

Legacies

Income from legacies is recognised when the charity has sufficient evidence that a gift has been left to them, that where required, probate has been granted, the executor is satisfied the property in question will not be required to satisfy claims in the estate, that it is probable that the amount will be received by the charity, and the amount to be received can be estimated with sufficient accuracy, and that any conditions attached to the legacy are either within the control of the charity or have been met.

Where a payment is received from an estate or is notified as receivable by the executors after the reporting date and before the accounts are authorised for issue but it is clear that payment had been agreed by the executor prior to the end of reporting period, then the amount concerned is treated as an adjusting event and accrued as income in accounting period if receipt is probable.

Where the charity has established entitlement to a legacy but there is uncertainty as to the amount of the payment, details of the legacy are disclosed as a contingent asset until the criteria for the income recognition are met. Where a legacy is subject to the interest of a life tenant, the legacy is not recognised as income until the death of life tenant. At the year end there are not such amounts.

If it is doubtful that the full settlement of the legacy debtor will be received, the adjustment is made to reduce the amount of the legacy debtor and legacy income rather than charging the adjustment as expenditure in the SOFA.

Governance costs

Governance costs include costs of the preparation and audit of the statutory accounts, the costs of the trustees meetings and costs of any legal advice to trustees on governance or constitutional matters.

Fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value year end.

Operating leases

Rental payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES – continued

Critical accounting estimates and areas of judgement

Accounting 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.

Critical accounting estimated and assumptions

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

2 DONATIONS AND LEGACIES

	Unrestricted general funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Donations and subscriptions	43,416	21,527	64,943	127,072
Gift Aid donations including tax reclaim	444	-	444	1,821
Legacies and bequests	745,519	-	745,519	556,146
	789,379	21,527	810,906	685,039

Income from donations and legacies of £810,906, of which £789,379 was unrestricted; £21,527 was restricted. (2022: £619,247 unrestricted).

3 CHARITABLE ACTIVITIES

	Unrestricted general funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Membership fees	7,413	-	7,413	7,685
Loan scheme	6,600	-	6,600	6,397
Cross agency fees	5,917	-	5,917	1,079
Educational days	8,068	-	8,068	477
	27,998	-	27,998	15,638

Income from charitable activities for both 2023 and 2022 was unrestricted.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

4 OTHER TRADING ACTIVITIES

	Unrestricted general funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Merchandising sales	81,918	-	81,918	83,786
Visitor centre sales	271,551	-	271,551	178,733
Facilities hire	11,118	-	11,118	10,616
	364,587	-	364,587	273,135

Income from other trading for both 2023 and 2022 was unrestricted.

5 INVESTMENT INCOME

	Unrestricted general funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Income from listed investments	19,897	-	19,897	19,457
Interest income	5,398	-	5,398	391
	25,295	-	25,295	19,848

Investment income for both 2023 and 2022 was unrestricted.

6 OTHER INCOME

	Unrestricted general funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Other income	59,981	-	59,981	41,991
	59,981	-	59,981	41,991

Other income for both 2023 and 2022 was unrestricted.

Other income includes £10,121 in respect of Biomass Rebate of (2022: £10,671), Fundraising income £41,121 and £8,738 other income.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

7 RAISING FUNDS

Donations and legacies

	Unrestricted general funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Advertising costs	7,228	-	7,228	12,104
Training costs	10,909	-	10,909	10,279
Fundraising costs	1,924	-	1,924	3,832
	20,061	-	20,061	26,215

Other trading activities

Purchases	186,687	-	186,687	114,051
Staff costs	199,267	-	199,267	103,564
	385,954	-	385,954	217,615

Investment management costs

Investment management fees	5,023	-	5,023	6,455
	5,023	-	5,023	6,455

Total raising funds

	411,038	-	411,038	250,285
--	----------------	----------	----------------	----------------

Costs of raising funds related to unrestricted funds in the current and previous year.

8 CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9) £	Support costs (See note 10) £	Totals £
Equine Welfare	962,555	37,191	999,746

The cost of charitable activities related to unrestricted funds in the current and previous year.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

9 DIRECT COSTS OF CHARITABLE ACTIVITIES

	Unrestricted general funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Staff costs	583,558	-	583,558	612,369
Establishment costs including insurance	93,647	-	93,647	63,357
Repairs, Maintenance and replacement	67,041	18,010	85,051	84,011
Office expenses	6,000	-	6,000	5,987
Printing, posting, stationery and newsletters	9,076	-	9,076	11,392
Animal feedstuff, veterinary fees and miscellaneous costs	57,995	23,689	81,684	89,925
Motor expenses	25,329	-	25,329	28,971
Legal and professional fees	6,499	-	6,499	5,360
Loss on disposal of assets	(2,413)	-	(2,413)	421
Depreciation	74,124	-	74,124	79,339
	920,856	41,699	962,555	981,132

10 SUPPORT COSTS

	Management £	Governance costs £	Totals £
Equine welfare	21,168	16,023	37,191

Support costs, included in the above, are as follows:

	Unrestricted general funds £	Restricted funds £	Total funds 2023 £	Total funds 2022 £
Wages	11,898	-	11,898	11,129
Social security	1,029	-	1,029	955
Accountancy and payroll fees	5,907	-	5,907	5,907
Bank charges	8,241	-	8,241	8,129
Auditors' remuneration	8,864	-	8,864	6,710
Trustee indemnity insurance	1,252	-	1,252	1,820
	37,191	-	37,191	34,650

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

11 NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting) :

	2023	2022
	£	£
Auditors' remuneration	8,864	6,710
Depreciation and amortisation – owned assets	74,124	79,339
Operating lease rentals	586	586
Loss on disposal of fixed assets	2,413	421
	<u>87,987</u>	<u>157,056</u>

12 TRUSTEES' REMUNERATION AND BENEFITS

Trustees' expenses

No trustees received nor waived any remuneration during the year and no trustees had any expenses reimbursed during the current and prior year.

Trustees indemnity insurance amounted to £837 (2022: £1,820). Donations of £100 were received from trustees in the year.

13 STAFF COSTS

	2023	2022
	£	£
Wages and salaries	738,104	672,509
Social security costs	45,207	43,479
Other pension costs	12,441	11,453
	<u>795,752</u>	<u>727,441</u>

No employees received emoluments in excess of £60,000

Remuneration of Key Management Personnel which relates to the Chief Executive Officer was £55,785 (2022: £53,162).

The number of employees during the year was:

	2023	2022
Administration	13	13
Animal welfare	22	21
Visitor centre	9	10
	<u>44</u>	<u>44</u>

HORSES AND PONIES PROTECTION ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

14 INTANGIBLE FIXED ASSETS

	Computer Software £	Total £
Cost or valuation		
At 1 September 2022	13,904	13,904
Additions	-	-
Disposals	-	-
At 31 August 2023	13,904	13,904
Depreciation		
At 1 September 2022	12,545	12,545
Charge in the year	680	680
Eliminated on disposal	-	-
At 31 August 2023	13,225	13,225
Net book value		
At 31 August 2023	679	679
At 1 September 2022	1,359	1,359

15 TANGIBLE FIXED ASSETS

	Freehold premises £	Stables and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2022	2,491,655	468,667	151,461	113,655	3,225,438
Additions		138	15,688	19,050	34,876
Disposals	-	-		(11,100)	(11,100)
At 31 August 2023	2,491,655	468,805	167,149	121,605	3,249,214
Depreciation					
At 1 September 2022	547,663	318,327	76,538	101,485	1,044,013
Charge in the year	47,349	15,048	8,127	2,925	73,449
Eliminated on disposal	-	-		(10,613)	(10,613)
At 31 August 2023	595,012	333,375	84,665	93,797	1,106,849
Net book value					
At 31 August 2023	1,896,643	135,430	82,484	27,808	2,142,365
At 1 September 2022	1,943,992	150,340	74,923	12,170	2,181,425

HORSES AND PONIES PROTECTION ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

16 FIXED ASSET INVESTMENTS

	£
At 1 September 2022	744,301
Additions	45,783
Disposals	(119,761)
Revaluations	(12,527)
At August 2023	<u>657,796</u>

Listed investments

Investments having a market value of £657,796 (2022 - £744,301) are listed on a recognised stock exchange.

17 DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Other debtors	1,705	1,021
Prepayments and accrued income	326,281	300,855
	<u>327,986</u>	<u>301,876</u>

18 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	32,107	13,728
Taxation and social security	17,926	12,360
Other creditors	19,154	16,247
	<u>69,187</u>	<u>42,335</u>

19 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid:

	2023 £	2022 £
Within one year	586	586
Between one and five years	732	1,318
	<u>1,318</u>	<u>1,904</u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

20 MOVEMENT IN FUNDS

	At 1 September Incoming 2022 resources		Outgoing resources	Transfers and other gains	At 31 August 2023
	£	£	£	£	£
Unrestricted funds					
General funds	1,199,268	1,267,240	(1,297,374)	(44,017)	1,125,117
Fixed asset funds	2,182,777	-	(71,711)	34,086	2,145,152
Restricted funds					
Donations	90	21,527	(21,617)	-	-
Legacies	20,082	-	(20,082)	-	-
Total funds	3,402,217	1,288,767	(1,410,784)	(9,931)	3,270,269

	At 1 September Incoming 2021 resources		Outgoing resources	Transfers and other gains	At 31 August 2022
	£	£	£	£	£
Unrestricted funds					
General funds	1,517,478	969,859	(1,140,687)	(147,379)	1,199,268
Fixed asset funds	2,239,215	-	(79,760)	23,319	2,182,777
Restricted funds					
Donations	-	16,710	(16,620)	-	90
Legacies		49,082	(29,000)	-	20,082
Total funds	3,756,693	1,035,651	(1,266,067)	(124,060)	3,402,217

21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO CASH FLOW FROM OPERATING ACTIVITIES

	Total funds 2023 £	Total funds 2022 £
Net movement in funds	(131,948)	(354,476)
Depreciation	74,129	79,339
Loss/(Surplus) on disposal	(1,926)	1,212
Dividend income shown in investing activities	(25,295)	(19,848)
Decrease/(increase in stock)	(4,160)	(4,648)
Decrease/(increase in debtors)	(26,110)	(148,800)
Increase/(decrease in creditors)	26,852	6,060
Gains/(losses) on investment assets	9,931	124,060
Net cash generated by/(used) in operating activities	(78,527)	(317,101)

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

22 PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted £12,411 (2022: £11,453).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

23 RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2023 except those as disclosed in note 12 to the accounts.

Controlling entity

The charity is under the control of the trustees

24 CONTINGENT ASSETS

The Charity uses a service which gives notification that it is included in a will. The Charity tracks any legacies that it is notified of but does not recognise them in the accounts until they are entitled to them, receipt is probable and a value can be attributed to them. As such the Charity has contingent assets that it cannot currently quantify.

25 MEMBERS' LIABILITY

The Charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

HORSES AND PONIES PROTECTION ASSOCIATION

England & Wales - Charity number 1085211

Accounts

Horses and Ponies Protection Association

Report of the Trustees and Financial Statements

for the Year ended 31 August 2022

HORSES AND PONIES PROTECTION ASSOCIATION

CONTENTS

	Page
Reference and Administrative Details	2
Report of the Trustees	3
Statement of Trustees Responsibilities	11
Report of the Independent Auditors	12
Statement of Financial Activities	15
Balance Sheet	16
Statement of cashflows	17
Notes to the Financial Statements	18

HORSES AND PONIES PROTECTION ASSOCIATION

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2022

Trustees	J Byrnes (Chair) J M Farley FCA A Gill P A Warren M Lonergan
Company Secretary	S Arthur
Chief Executive Officer	S Arthur
Registered Office	Taylor Building, Shores Hey Farm Blackhouse Lane, off Halifax Road Briercliffe Burnley Lancashire BB10 3QU
Registered Company Number	04062415 (England and Wales)
Registered Charity Number	1085211
Auditor	MHA Moore and Smalley LLP Chartered Accountants Richard House Winckley Square Preston PR1 3HP
Bankers	Yorkshire Bank 14 Broadway Bradford West Yorkshire BD1 1EZ National Westminster Bank 2 Howe Walk Burnley Lancashire BB11 1QD
Investment Advisor	Investec Wealth & Investment Limited 3 Wellington Place Leeds LS1 4AP Brewin Dolphin Ltd 10 Wellington Place Leeds LS1 4AN

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (effective October 2019).

The full name of the charity is Horses and Ponies Protection Association and is known more generally as HAPPA.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees are pleased to present their annual report, they recognise that this financial year is the first complete year of the Charities site remaining open without government-imposed closures. As a result, in the year ending 31 August 2022, income from the visitors' centre, fundraising and other events have significantly increased. A reduced legacy income has resulted in a deficit for the year.

At the date of approving these accounts the Trustees have a reasonable expectation that the Charity will be able to manage the situation and it has sufficient cash resources to enable it to meet its liabilities, as they are due, for at least 12 months from the date of approval. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Governing document

The Charity is a Limited Company, registration no. 4062415, is governed by its Memorandum and Articles of Association revised 4th December 2012 and is registered with the Charity Commission, no. 1085211.

Recruitment and appointment of trustees

All Trustees are appointed in accordance with article 7 of the Company's Articles of Association. The Trustees are aware of the necessity to maintain and improve the level of competence in the equine, commercial and professional areas. The Trustees are also aware of the need to recruit members to ensure continuity of services into the future. The application and recruitment process has seen updates in literature regarding the posts and a thorough selection process put in place, ensuring that applicants with the appropriate specialist skill sets and personal interests are appointed as Trustees.

A recruitment drive has resulted in four additional trustees completing the onboarding process, all will be up for co-option as per the articles of association at the Annual General Meeting, May 2023.

Training and induction of trustees

All Trustees complete an induction process that includes elements on governance and the role of a trustee within the Organisation. Training of Trustees is usually informal as the majority are long standing or have been appointed for their specialist business or equine knowledge.

Management responsibilities

HAPPA's Board of Trustees convene every three to four months to monitor the affairs of the Organisation and to set policy and agree expenditure. Board meetings are currently held at the Centre with social distancing and hygiene measures. The Annual General Meeting is held in May. The Board seek advice on matters such as finance, insurance, health and safety, human resources, marketing etc to ensure best practice is always followed. Decision making is made at Board level or delegated, by agreement, to the Chief Officer. Financial expenditure is decided at Board level although expenditure to an agreed level can be authorised by the Chief Officer. Operational Management is largely the responsibility of the Chief Officer who works with the senior management team to ensure the Organisation's day-to-day affairs are managed effectively.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2022

Risks

The Board have identified three main areas of risk that the Organisation is exposed to.

These are: -

The availability of finance to allow the operations to continue.

Damage to HAPPA's reputation.

Health and safety of staff and volunteers.

Risk management

HAPPA's risk management strategy: -

Ensures that risk management is a prime consideration within the Organisation's culture and its approach to operational activities; ensures that potential risks are identified at the planning stage and a raft of options are agreed as to how best to identify and manage potential risks; ensures that internal controls are in place to effectively manage risks as they arise; ensures that professional advice is sought and insurance or other arrangements put in place to manage the impact of unavoidable risks.

ABOUT HAPPA

Founded in 1937 to help fight against the transportation of large horses to the continent for slaughter, HAPPA continues to play a major role in all aspects of equine welfare. Instrumental in achieving better protection for horses with the Riding Establishments Act, The Ponies Act 1969, The Illegal Tethering Act 1991 and by setting up the National Equine Welfare Committee 1997, HAPPA continues to campaign for improvements to existing legislation to ensure that horses, ponies and donkeys are protected from cruelty and neglect.

Charitable objectives

As defined in the governing document, to prevent unnecessary suffering to horses and neglect of their bodily needs by assisting in the enforcement of laws regarding humane treatment and encouraging and promoting education in the humane treatment of horses.

The HAPPA Strategy 2021-2026 outlines changes to the mission statement, values, and main beliefs. Our vision is every equine in our care deserves a second chance in a forever home. Mission is to strive to give a second chance to neglected, abused and unwanted equines through rescue, rehabilitation, rehoming, and education.

Adjustments have been made to match our hopes for every equine that comes into the Charity's care. The mission is the reason we develop other areas of operations to increase charitable income, enabling financial self-sufficiency and longevity. Education remains a focus due to the importance of every person caring for an equine possessing the necessary knowledge to meet its welfare needs.

Public benefit

The Trustees have followed the Charity Commissions guidance on Public Benefit in carrying out their activities, through rescue, rehabilitation, rehoming, and education, as set out below. The activities of the Charity are available to all, irrespective of affordability through visiting, memberships; annual memberships are currently fixed at £20 with reductions for senior members. Supporters are encouraged to become a Second Chance Sponsor and support the rehabilitation of a chosen equine. A minimum donation is payable for access to see the resident horses, a donation is not payable for members and sponsors.

Rescue

HAPPA's Equine Inspectors investigate over 300 cases of cruelty and neglect each year, offering advice and support where possible and preventing cruelty by intervention and prosecution where necessary. They have a wide range of expertise on all aspects of equine welfare and are fully conversant with the laws relating to the application and implementation of equine legislation within the Animal Welfare Act 2006; Animals Act 1971; Horse Passport Regulations 2009; Control of Horses Act 2015.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2022

Rehabilitation

HAPPA has a fully equipped Rescue Centre to ensure that all rescued and abandoned animals are restored lovingly back to health. Our Centre, based in Lancashire has stabling for approximately 50 equines at any one time with a strong emphasis on rehabilitation and rehoming. We treat each animal as an individual and take great care to provide the right environment and care programme for them all. Our Centre team and facilities has been expanded to deliver more consistent equine care and to offer greater opportunities to all animals at Shores Hey Farm, further developments have seen the refurbishment of existing out buildings into a new Equine Assessment Unit enabling the separation of equines returning from loan homes from rescued equines susceptible to zoonotic and contagious diseases housed in the Isolation Unit. This facility enables a timely turnaround of low risk HAPPA horses.

Through careful analysis of equine care resources, time, and workload the number of equines accommodated at Shores Hey Farm is now maintained to between 40 and 45, this has enabled the care team to concentrate solely on the rehabilitation of fewer allocated equines. As a result, significant improvements are seen in the ability to rescue and rehome equines.

Rehoming

All suitable equines are placed; in private homes through our legally binding loan scheme or those with specialist needs at the HAPPA Rescue Centre. Throughput numbers have decreased this year by 28%, reports of cruelty and neglect from members of the public have increased by 23% in comparison to the previous year. Equine rehabilitation efficiency remains proficient. The average equine stay in centre timeframe has increased in comparison to previous years, this is a concern due to increases in living costs people may be less likely to commit to the financial outlay of rehoming a horse from a rescue centre. The new Project Horse Scheme allows equines at retraining stage to find homes with competent equestrians.

Advice and education

The equine action team are always available to offer advice and guidance on all aspects of equine welfare. An online horse care course has been launched, and the educational sessions are now held onsite throughout the year. The Charity provides a range of free information sheets covering a range of equine related topics. An exciting new online junior member's club will be launched in 2022 to further expand our educational reach.

Online digital platforms and social media content has been tailored to offer advice and educate followers, further development of the Charity's online presence has resulted in an increase of brand awareness, followers, supporter demographic and customer engagement.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2022

OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS

The Charity aims to prevent suffering, cruelty and neglect of equines through rescue, rehabilitation, rehoming and education. It aims to achieve its objectives by:-

Maintaining financial security

HAPPA is committed to maintaining financial security, the Charity has invested in the development of the onsite shop, educational activities, and digital technology. Continuing to invest in marketing of legacies throughout. All will ensure the Charity's survival in unprecedented times.

The conference suites have now been utilised for the expansion of the onsite shop. Within this space income is generated through sale of new and used equestrian items and farm themed gifts and toys. The shop is directly related to the charities core objectives by selling items that enhance the lives of equines. The shop is also a source of discounted, second hand, equestrian products for members of the public to purchase that are struggling financially. Online auctions are generating extra income and an associated ecommerce site is meeting the demands of a trend in safe online shopping.

The onsite café re-opened in June 2021, alongside reopening a new menu launched with the visiting customer in mind. Feedback and sales have been promising with further developments to include evening opening and seasonal events seen in 2022.

By improving income generation through the development of a robust and current donor database, investment in legacy marketing initiatives and the development and delivery of comprehensive digital customer engagement and fundraising strategy the Charity hopes to maintain income at a sustainable level. Greater use of digital and technology, particularly social media will ensure that the brand is promoted to the widest audience possible, and that awareness and new income is generated.

Legacy Marketing - Our legacy leaflets and legacy booklets are kept under review and distributed to solicitors and other interested supporters. The legacy page on the website is regularly reviewed and updated. Active on-going reviews of all administration relating to legacy management will create return.

Donations - Donors can make a secure online donation before visiting the stables and are invited to contribute towards tangible projects via the Charity's magazines, website appeals and social media campaigns. Donations are also solicited through press releases highlighting latest rescues and through the introduction of mail shots. The donor database builds a robust and current contact list, and we now have the infrastructure in place to effectively support data capture. Further improvements to the utilisation of technology will allow for considerable growth in electronic marketing.

Horse Sponsorship Scheme -This year a rebrand and relaunch of the Sponsorship Scheme will enable supporters to sponsor horses under rehabilitation and in addition those equines helping to deliver the HAPPA educational offering. The new scheme will continue to enable our supporters to become part of offering all our rescue horses a second chance, whether this be in a forever home or assisting in delivering the educational offering at Shores Hey Farm. All the animals we rescue deserve a Second Chance of happiness; we work very hard to rehabilitate every animal admitted to the centre. We are anticipating a significant increase to current sponsor figures during the 2022/23 financial year. The administration of this scheme also attracts donor retention.

Corporate Sponsorship Scheme – Enables local and international businesses to become involved in our work by sponsoring the care of a HAPPA horse or a stable block. Corporate Sponsors receive regular team updates on their sponsorship. Businesses are asked to celebrate our success, to champion when sponsored equines complete their rehabilitation.

Membership - Supporters are actively encouraged to 'Join the HAPPA Herd' and become a member; a membership policy statement is available, and the offering is open to as many members as possible, provided they are over eighteen and genuinely motivated by equine welfare. Fees for the offering are staying consistent; however, the benefits for becoming a member of the Organisation have increased.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2022

Fundraising Practices

The Head of Marketing and Fundraising organises and manages all fundraising events onsite and online. Co-ordinating the activities of our supporters both on site and outside of the Organisation. The Charity does not use professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

The Organisation has signed up to the Fundraising Regulator's Code of Fundraising Practice, as a result, all the fundraising guidance and working practices have been updated to ensure compliance. Volunteer fundraisers are now given a briefing before they raise funds for the Charity and will also be given forms to complete.

To protect vulnerable persons all direct marketing is undertaken by the development team to ensure that it is not unreasonably intrusive or persistent. Contact is made through direct marketing a maximum of three times a year but usually quarterly. All marketing material contain clear instructions on how a person can be removed from mailing lists. A complaints procedure is in place to protect persons that feel the Charity has not acted in their best interests.

Improving the general infrastructure of HAPPA

We are passionate about ensuring that all staff can develop and complete appropriate training. The Organisation has the required policies and procedures in place to support future development. This includes embracing new technologies that will benefit the organisation and further improve staff development systems and opportunities.

Staff training and development - A comprehensive staff induction scheme is in place. Combined with a modern appraisal system and enhanced opportunities for consultation and communication, staff motivation is high which will impact positively on staff retention levels. Staff are encouraged to attend internal and external training sessions e.g., fundraising, legacy workshops and horse management and participate in external meetings and conferences. Prosecution and PACE training has improved the efficiency and effectiveness of front-line staff and management training for those in a more senior role enhanced knowledge and provided for a more informed and united workforce.

Professional Guidance – The Charity recognises that bespoke professional advice and support is necessary to ensure that the Organisation keeps abreast of changing legislation, manages its financial affairs appropriately and recruits and retains effective and motivated people. The Charity makes use of qualified consultants as and when necessary. In line with good practice, the Charity regularly tenders for professional services to ensure the best level of support at competitive rates.

Data Management - The team have worked hard across the Organisation to ensure that policies and procedures have been updated and improved to ensure compliance with relation to the General Data Protection Regulation (GDPR) as a result; an alternative data management system was sourced in 2019, a data breach reporting procedure put in place and the allocation of responsibility with regards the proper management of supporter data and associated administration.

Staffing Structure – Remains the same, there are no plans to change the staffing structure moving forwards.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2022

Developing the HAPPA Brand and developing public approval and awareness

A comprehensive Marketing Strategy is updated annually; in addition, a digital supporter engagement strategy has been composed to address the reduction of footfall to site at the beginning of the year. Publications are constantly reviewed to promote organisational initiatives and keep the brand fresh. The Charity's website has been redesigned and updated to address the two clear facets of our Organisation, showcasing the integrity of our equine welfare work, whilst highlighting our commercial activities and our role as a tourist destination, keeping our name at the forefront across all areas of our work. We continually review our public interface to help us deliver a more cohesive and contemporary brand identity that will see all new activities plus our existing core business being promoted in an exciting and innovative way. Promotional merchandise is kept under review and improved where appropriate.

Advertising - Take a structured approach to advertising and aims to continue to focus on building brand awareness using hard copy and digital media. By raising brand awareness, the HAPPA Shores Hey Farm brand will become much familiar, resulting in being attractive to potential donors.

Corporate Style – The HAPPA logo and The Fussy Filly logo are the recognisable brands associated with our charitable operations. The closure of the conferencing suites has been a catalyst to dispersing with the previous multifaceted branding approach.

Pursuing activities that prevent cruelty and suffering to equines.

This is achieved by improving equine accommodation at the Centre, by providing guidance to personnel and members of the public who are involved in assessing equines.

Equine accommodation plus additional Centre facilities - During the year the Charity has continued to maintain and improve the facilities at the Shores Hey Rescue Centre to a high standard, providing the very best facilities for equine care and rehabilitation plus a great experience for visitors to the site. In addition, work has been completed to replace paddock fence lines, and a roof has been replaced on three large stables and toilet facilities.

Training – Workshops and educational days are held at Shores Hey Farm to highlight appropriate methods of safely approaching, controlling, and handling equines, these are currently held onsite. Both employed personnel and members of the public benefit from these workshops.

Education - The educational offering has been developed by way of offering additional adult and child training days, with the focus of improving standards of equine care in the local community. The introduction of a club for young people to join and learn about caring for a horse correctly has been welcomed by the local community.

Systems – A complete review and upgrade of existing systems has allowed for the introduction of policies and protocols to better manage animals requiring accommodation and those currently in our care.

Improving the HAPPA experience for volunteers, visitors and supporters

Improving visitor facilities at Shores Hey Farm and further developing the volunteer programme:

Visitor facilities – Reception, activities room, arena, onsite play area, education room and secondhand book shop are open 7 days a week. Shores Hey Farm stable areas and outbuilding are also open; the café is open and is accepting walk-ins and table reservations.

The Visitor's Centre- Including the Café is well supported by members of the public. The introduction of a business hub has encouraged footfall during off peak times. Evening events are fully booked and their popularity continues to rise.

Volunteer Management - the vital role that volunteers play in delivering HAPPA services and in raising funds has always been recognised and resulted in the development of key volunteer roles and volunteer packs for people that are interested.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2022

Achievements

During the year the charity has achieved its objectives by attending 247 complaints of cruelty and neglect, accepting 43 needy equines, and rehoming 29 equines on permanent loan. At the year-end 51 equines were in residence at the Rescue Centre, and 242 equines accommodated in homes through our loan scheme.

Shores Hey Farm has seen visitor numbers of 13,000 during the financial year, an increase in comparison to the year prior. There is an expected increase in the 2022/2023 financial year (dependant on any further enforced government restrictions).

The Charity has been able to educate 325 members of the public on how to care for horses correctly through the delivery of horse care courses and experience days at Shores Hey Farm.

FINANCIAL REVIEW

The financial statements set out on pages 15 to 29 show a net movement in funds for the year amounting to a deficit of £354,476 (2021: £230,268) and net assets of £3,402,217 (2021: £3,756,693) at 31 August 2022.

The net movement in funds:

Operating deficit	£(230,416)
Investment loss	£(124,060)

Legacies continue to be the core but volatile source of income for the Charity and the charity is actively working to increase the awareness of the charity to members and the public and encourage them to include legacies to the Charity in their wills. Legacy income in the year has increased from £373,084 to £556,146, an increase of £183,062 in comparison to last financial year.

The Charity is dependent upon the services of unpaid volunteers for fundraising and other purposes, the effect of which cannot be quantified. The Trustees have considered the most appropriate policy for investing funds and have appointed investment managers to work towards a target return agreed by the Trustees.

RESERVES POLICY

The Trustees have reviewed the reserves of the charity. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves.

The review concluded that to allow the Charity to continue the current activities a general reserve equivalent to £2 million should be maintained. This equates to approximately two years of unrestricted fund expenditure. At the year end the Charity's general reserve, not already allocated to building projects nor invested in fixed assets, amounted to £1,201,966.

The Trustees consider the current reserves to be sufficient in light of the measures taken by the Government to combat the spread of the Corona Virus, the Trustees will continue to monitor the situation going forward.

LAND AND BUILDINGS

In the opinion of the Trustees there is no significant difference between the market value and the book value of the Charity's interest in land and buildings.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2022

PLANS FOR FUTURE PERIODS

The Charity has seen an increase of income from fundraising and trading activities this year in comparison to the previous financial year due to Government restrictions being lifted. The Charity will continue to respond to reports of equine cruelty and neglect, ensuring high standards of care for resident equines by following Government restrictions and guidelines in relation to social distancing and hygiene. Rehoming of equines will continue whilst restrictions allow it. Equine throughput has decreased by 28%, a reduction that the Trustees feel is largely due to the increases seen in the cost of living.

The Trustees recognise that Government imposed Corona Virus and the cost-of-living crisis will influence income from immediate and future charitable activities, reserves will be utilised as and when needed to ensure financial security. For financial stability investments will be made in the development of onsite and online income generating activities and advances in digital technology. Alongside this focus has shifted to developing the charities online, educational and customer experience offerings.

The situation will be monitored closely by the Board of Trustees; all will continue to safely further the Charity's objectives and activities, as detailed above.

AUDITORS

MHA Moore and Smalley will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies act 2006 relating to small companies.

Approved by order of the board of trustees on ^{27/04/2023}..... and signed on its behalf by :

P A Warren

.....
P A Warren – Trustee

HORSES AND PONIES PROTECTION ASSOCIATION

STATEMENT OF TRUSTEE RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees (who are also the directors of Horses and Ponies Protection Association for the purposes of company law) are responsible for preparing the Report of the Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- Select suitable accounting policies and then apply them consistently ;
- Observe the methods and principles in the Charity SORP 2015 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards 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 charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 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 auditors are unaware; and
- 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 auditors are aware of that information

HORSES AND PONIES PROTECTION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the financial statements of Horses and Ponies Protection Association (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31 August 2022, and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 financial statements section of our report. We are independent of the 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 charitable company'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 trustees are responsible for the other information contained within the Report of the Trustees. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

HORSES AND PONIES PROTECTION ASSOCIATION
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 AUGUST 2022

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' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the 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 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 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

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.

HORSES AND PONIES PROTECTION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 AUGUST 2022

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 specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Reviewing minutes of meetings of those charged with governance;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

Because of the field in which the client operates we identified that employment law, health and safety legislation and compliance with the UK Companies Act are the areas most likely to have a material impact on the financial statements.

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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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. Our audit work has been undertaken so that we might state to the 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.

Nicola Mason

**Nicola Mason (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor**

Richard House
9 Winckley Square
Preston
PR1 3HP

05/05/2023.....

HORSES AND PONIES PROTECTION ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted general funds	Restricted funds	Total funds Year ended 31 August 2022	Total funds Year ended 31 August 2021
Income and endowments from:	Note	£	£	£	£
Donations and legacies	2	619,247	65,792	685,039	486,744
Charitable activities	3	15,638	-	15,638	16,637
Other trading activities	4	273,135	-	273,135	70,960
Investments	5	19,848	-	19,848	22,336
Other	6	41,991	-	41,991	125,010
Total income		969,859	65,792	1,035,651	721,687
Expenditure on:					
Raising funds	7	250,285	-	250,285	145,400
Charitable activities					
Equine welfare	8	970,162	45,620	1,015,782	980,812
Total expenditure		1,220,447	45,620	1,266,067	1,126,212
Net deficit before movement on investments		(250,588)	20,172	(230,416)	(404,525)
Net gains/(losses) on investments		(124,060)	-	(124,060)	174,257
Net income/(expenditure)		(374,648)	20,172	(354,476)	(230,268)
Reconciliation of funds					
Total funds brought forward		3,756,693	-	3,756,693	3,986,961
Total funds carried forward		3,382,045	20,172	3,402,217	3,756,693

HORSES AND PONIES PROTECTION ASSOCIATION

BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Fixed assets					
Intangible assets	14	1,359	-	1,359	4,140
Tangible assets	15	2,181,418	-	2,181,418	2,235,078
Investments	16	744,301	-	744,301	1,088,620
		<u>2,927,078</u>	<u>-</u>	<u>2,927,078</u>	<u>3,327,838</u>
Current assets					
Stock		20,042	-	20,042	15,394
Debtors	17	301,876	-	301,876	153,077
Cash at bank and in hand		175,384	20,172	195,556	296,659
		<u>497,302</u>	<u>20,172</u>	<u>517,474</u>	<u>465,130</u>
Creditors: amounts falling due within one year	18	(42,335)	-	(42,335)	(36,275)
Net current assets		<u>454,967</u>	<u>20,172</u>	<u>475,139</u>	<u>428,855</u>
Total assets less current liabilities		3,382,045	20,172	3,402,217	3,756,693
Net assets		<u>3,382,045</u>	<u>20,172</u>	<u>3,402,217</u>	<u>3,756,693</u>
Funds					
Unrestricted funds		3,382,045	-	3,382,045	3,756,693
Restricted Funds		-	20,172	20,172	-
	20	<u>3,382,045</u>	<u>20,172</u>	<u>3,402,217</u>	<u>3,756,693</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

27/04/2023

The financial statements were approved by the Board of Trustees on and were signed on its behalf by :

P A Warren

P A Warren – Trustee

Company number: 04062415 (England and Wales)

HORSES AND PONIES PROTECTION ASSOCIATION
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	2021 £
Cash generated (used in)/ generated by in operating activities	21	<u>(317,101)</u>	<u>(332,036)</u>
Cash flows from investing activities			
Investment income		19,848	22,336
Purchase of fixed assets		(24,109)	(9,308)
Purchase of investments		(23,980)	(236,556)
Proceeds on disposal of investments		244,239	327,815
Cash (used in)/provided by investing activities		<u>215,998</u>	<u>104,287</u>
(Decrease)/Increase in cash and cash equivalents in the year		(101,103)	(227,749)
Cash and cash equivalents at the beginning of the year		296,659	524,408
Total cash and cash equivalents at the end of the year		<u>195,556</u>	<u>296,659</u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparing the financial statements

The financial statements of the charitable company 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)(effective October 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Horses and Ponies Protection Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

Preparation of the accounts on a going concern basis

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Grant income is recognised when the charity is entitled to the funds. This include income in respect of the coronavirus job retention scheme and the retail and hospitality grant.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs include central functions and have been allocated to charity cost categories on a basis consistent with the use of resource, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES – continued

Intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	- 20% p.a. straight line
----------	--------------------------

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold interest in land and buildings	- 2% p.a. straight line
Stables and equipment	- 10% p.a. on reducing balance
Fixtures and fittings	- 10% -30% p.a. on reducing balance
Motor vehicles	- 25% p.a. on reducing balance

Stocks

Stocks are valued at the lower cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The company is a registered charity and to the extent that its income is applied on the specific charitable objects of the charity is exempt from taxation. Income receivable in respect of non primary purpose trade is taxable.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES – continued

Legacies

Income from legacies is recognised when the charity has sufficient evidence that a gift has been left to them, that where required, probate has been granted, the executor is satisfied the property in question will not be required to satisfy claims in the estate, that it is probable that the amount will be received by the charity, and the amount to be received can be estimated with sufficient accuracy, and that any conditions attached to the legacy are either within the control of the charity or have been met.

Where a payment is received from an estate or is notified as receivable by the executors after the reporting date and before the accounts are authorised for issue but it is clear that payment had been agreed by the executor prior to the end of reporting period, then the amount concerned is treated as an adjusting event and accrued as income in accounting period if receipt is probable.

Where the charity has established entitlement to a legacy but there is uncertainty as to the amount of the payment, details of the legacy are disclosed as a contingent asset until the criteria for the income recognition are met. Where a legacy is subject to the interest of a life tenant, the legacy is not recognised as income until the death of life tenant. At the year end there are not such amounts.

If it is doubtful that the full settlement of the legacy debtor will be received, the adjustment is made to reduce the amount of the legacy debtor and legacy income rather than charging the adjustment as expenditure in the SOFA.

Governance costs

Governance costs include costs of the preparation and audit of the statutory accounts, the costs of the trustees meetings and costs of any legal advice to trustees on governance or constitutional matters.

Fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value year end.

Operating leases

Rental payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES – continued

Critical accounting estimates and areas of judgement

Accounting 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.

Critical accounting estimated and assumptions

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

2 DONATIONS AND LEGACIES

	Unrestricted general funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Donations and subscriptions	110,362	16,710	127,072	104,479
Gift Aid donations including tax reclaim	1,821	-	1,821	9,181
Legacies and bequests	507,064	49,082	556,146	373,084
	619,247	65,792	685,039	486,744

Income from donations and legacies of £619,247 was unrestricted; £65,792 was restricted. (2021: £486,744 unrestricted).

3 CHARITABLE ACTIVITIES

	Unrestricted general funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Membership fees	7,685	-	7,685	6,793
Loan scheme	6,397	-	6,397	6,594
Cross agency fees	1,079	-	1,079	3,250
Educational days	477	-	477	-
	15,638	-	15,638	16,637

Income from charitable activities for both 2022 and 2021 was unrestricted.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

4 OTHER TRADING ACTIVITIES

	Unrestricted general funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Merchandising sales	83,786	-	83,786	31,717
Visitor centre sales	178,733	-	178,733	39,243
Facilities hire	10,616	-	10,616	-
	273,135	-	273,135	70,960

Income from other trading for both 2022 and 2021 was unrestricted.

5 INVESTMENT INCOME

	Unrestricted general funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Income from listed investments	19,457	-	19,457	22,331
Interest income	391	-	391	5
	19,848	-	19,848	22,336

Investment income for both 2022 and 2021 was unrestricted.

6 OTHER INCOME

	Unrestricted general funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Other income	41,991	-	41,991	125,010
	41,991	-	41,991	125,010

Other income for both 2022 and 2021 was unrestricted.

Other income includes £0 (2021: £57,619) in respect of the coronavirus job recovery scheme, Biomass Rebate of £10,671 (2021:£0), Fundraising income £24,161 and £6,000 (2021: £49,758) retail and hospitality grants and other support grants.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

7 RAISING FUNDS

Donations and legacies

	Unrestricted general funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Advertising costs	12,104	-	12,104	13,340
Training costs	10,279	-	10,279	4,026
Fundraising costs	3,832	-	3,832	1,991
	26,215	-	26,215	19,357

Other trading activities

Purchases	114,051	-	114,051	36,150
Staff costs	103,564	-	103,564	81,977
	217,615	-	217,615	118,127

Investment management costs

Investment management fees	6,455	-	6,455	7,916
	6,455	-	6,455	7,916

Total raising funds

250,285	-	250,285	145,400
----------------	----------	----------------	----------------

Costs of raising funds related to unrestricted funds in the current and previous year.

8 CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9) £	Support costs (See note 10) £	Totals £
Equine Welfare	981,132	34,650	1,015,782

The cost of charitable activities related to unrestricted funds in the current and previous year.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

9 DIRECT COSTS OF CHARITABLE ACTIVITIES

	Unrestricted general funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Staff costs	612,369	-	612,369	618,397
Establishment costs including insurance	63,357	-	63,357	50,148
Repairs, Maintenance and replacement	67,411	16,600	84,011	83,433
Office expenses	5,987	-	5,987	5,897
Printing, posting, stationery and newsletters	11,392	-	11,392	11,738
Animal feedstuff, veterinary fees and miscellaneous costs	60,905	29,020	89,925	75,122
Motor expenses	28,971	-	28,971	21,836
Legal and professional fees	5,360	-	5,360	5,307
Loss on disposal of assets	421	-	421	-
Depreciation	79,339	-	79,339	82,208
	935,512	45,620	981,132	954,086

10 SUPPORT COSTS

	Management £	Governance costs £	Totals £
Equine welfare	20,213	14,437	34,650

Support costs, included in the above, are as follows:

	Unrestricted general funds £	Restricted funds £	Total funds 2022 £	Total funds 2021 £
Wages	11,129	-	11,129	10,414
Social security	955	-	955	701
Accountancy and payroll fees	5,907	-	5,907	5,768
Bank charges	8,129	-	8,129	4,523
Auditors' remuneration	6,710	-	6,710	5,700
Trustee indemnity insurance	1,820	-	1,820	(380)
	34,650	-	34,650	26,726

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

11 NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting) :

	2022	2021
	£	£
Auditors' remuneration	6,710	5,700
Depreciation and amortisation – owned assets	79,339	82,208
Operating lease rentals	586	3,139
Loss on disposal of fixed assets	421	-
	<u> </u>	<u> </u>

12 TRUSTEES' REMUNERATION AND BENEFITS

Trustees' expenses

No trustees received nor waived any remuneration during the year and no trustees had any expenses reimbursed during the current and prior year.

Trustees indemnity insurance amounted to £1,820 (2021: £878). Donations of £100 were received from trustees in the year.

13 STAFF COSTS

	2022	2021
	£	£
Wages and salaries	672,509	656,898
Social security costs	43,479	43,156
Other pension costs	11,453	11,435
	<u> </u>	<u> </u>
	727,441	711,489
	<u> </u>	<u> </u>

No employees received emoluments in excess of £60,000

Remuneration of Key Management Personnel which relates to the Chief Executive Officer was £55,300 (2020: £53,162).

The number of employees during the year was:

	2022	2021
Administration	13	10
Animal welfare	21	25
Visitor centre	10	7
	<u> </u>	<u> </u>
	44	42
	<u> </u>	<u> </u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

14 INTANGIBLE FIXED ASSETS

	Computer Software £	Total £
Cost or valuation		
At 1 September 2021	13,904	13,904
Additions	-	-
Disposals	-	-
At 31 August 2022	13,904	13,904
Depreciation		
At 1 September 2021	9,764	9,764
Charge in the year	2,781	2,781
Eliminated on disposal	-	-
At 31 August 2022	12,545	12,545
Net book value		
At 31 August 2022	1,359	1,359
At 1 September 2021	4,140	4,140

15 TANGIBLE FIXED ASSETS

	Freehold premises £	Stables and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	2,477,388	464,573	148,246	113,655	3,203,862
Additions	14,267	4,093	5,749	-	24,109
Disposals	-	-	(2,535)	-	(2,535)
At 31 August 2022	2,491,655	468,666	151,460	113,655	3,225,436
Depreciation					
At 1 September 2021	500,146	301,623	69,573	97,441	968,783
Charge in the year	47,514	16,704	8,288	4,052	76,558
Eliminated on disposal	-	-	(1,323)	-	(1,323)
At 31 August 2022	547,660	318,327	76,538	101,493	1,044,018
Net book value					
At 31 August 2022	1,943,995	150,339	74,922	12,162	2,181,418
At 1 September 2021	1,977,242	162,950	78,673	16,214	2,235,079

HORSES AND PONIES PROTECTION ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16 FIXED ASSET INVESTMENTS

	£
At 1 September 2021	1,088,620
Additions	23,980
Disposals	(244,239)
Revaluations	(124,060)
At August 2022	<u>744,301</u>

Listed investments

Investments having a market value of £744,301 (2021 - £1,088,620) are listed on a recognised stock exchange.

17 DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other debtors	1,788	3,762
Prepayments and accrued income	300,855	149,315
	<u>302,643</u>	<u>153,077</u>

18 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	13,728	11,813
Taxation and social security	13,127	9,998
Other creditors	16,247	14,464
	<u>43,102</u>	<u>36,275</u>

19 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid:

	2022 £	2021 £
Within one year	586	586
Between one and five years	1,318	1,903
	<u>1,904</u>	<u>2,489</u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

20 MOVEMENT IN FUNDS

	At 1 September 2021	Incoming resources	Outgoing resources	Transfers and other gains	At 31 August 2022
	£	£	£	£	£
Unrestricted funds					
General funds	1,517,475	969,859	(1,140,687)	(147,379)	1,199,268
Fixed asset funds	2,239,218	-	(79,760)	23,319	2,182,777
					-
Restricted funds					
Donations	-	16,710	(16,620)	-	90
Legacies	-	49,082	(29,000)	-	20,082
Total funds	3,756,693	1,035,651	(1,266,067)	(124,060)	3,402,217

	At 1 September 2020	Incoming resources	Outgoing resources	Transfers and other gains	At 31 August 2021
	£	£	£	£	£
Unrestricted funds					
General funds	1,674,846	721,687	(1,044,004)	164,949	1,517,478
Fixed asset funds	2,312,115	-	(82,208)	9,308	2,239,215
					-
Restricted funds					
Donations	-	-	-	-	-
Total funds	3,986,961	721,687	(1,126,212)	174,257	3,756,693

21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO CASH FLOW FROM OPERATING ACTIVITIES

	Total funds 2022 £	Total funds 2021 £
Net movement in funds	(354,476)	(230,268)
Depreciation	79,339	82,205
Loss/(Surplus) on disposal	1,212	0
Dividend income shown in investing activities	(19,848)	(22,336)
Decrease/(increase in stock)	(4,649)	(2,775)
Decrease/(increase in debtors)	(148,799)	19,055
Increase/(decrease in creditors)	6,060	(3,660)
Gains/(losses) on investment assets	124,060	(174,257)
Net cash generated by/(used) in operating activities	(317,101)	(332,036)

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

22 PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted £11,453 (2021: £11,435).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

23 RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2022 except those as disclosed in note 12 to the accounts.

Controlling entity

The charity is under the control of the trustees

24 CONTINGENT ASSETS

The Charity uses a service which gives notification that it is included in a will. The Charity tracks any legacies that it is notified of but does not recognise them in the accounts until they are entitled to them, receipt is probable and a value can be attributed to them. As such the Charity has contingent assets that it cannot currently quantify.

25 MEMBERS' LIABILITY

The Charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

HORSES AND PONIES PROTECTION ASSOCIATION

England & Wales - Charity number 1085211

Accounts

Company Registration No. 04062415 (England and Wales)

Charity No: 1085211

Horses and Ponies Protection Association

**Report of the Trustees and
Financial Statements**

for the Year ended 31 August 2021

HORSES AND PONIES PROTECTION ASSOCIATION

CONTENTS

	Page
Reference and Administrative Details	2
Report of the Trustees	3
Statement of Trustees Responsibilities	11
Report of the Independent Auditors	12
Statement of Financial Activities	15
Balance Sheet	16
Statement of cashflows	17
Notes to the Financial Statements	18

HORSES AND PONIES PROTECTION ASSOCIATION

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2021

Trustees	J Byrnes (Chair) J M Farley FCA A Gill P A Warren M Loneragan
Company Secretary	S Arthur
Chief Executive Officer	S Arthur
Registered Office	Taylor Building, Shores Hey Farm Blackhouse Lane, off Halifax Road Briercliffe Burnley Lancashire BB10 3QU
Registered Company Number	04062415 (England and Wales)
Registered Charity Number	1085211
Auditor	MHA Moore and Smalley LLP Chartered Accountants Richard House Winckley Square Preston PR1 3HP
Bankers	Yorkshire Bank 14 Broadway Bradford West Yorkshire BD1 1EZ National Westminster Bank 2 Howe Walk Burnley Lancashire BB11 1QD
Investment Advisor	Investec Wealth & Investment Limited 3 Wellington Place Leeds LS1 4AP Brewin Dolphin Ltd 10 Wellington Place Leeds LS1 4AN

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (effective October 2019).

The full name of the charity is Horses and Ponies Protection Association and is known more generally as HAPPA.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Measures taken by the Government to combat the spread of the Corona Virus resulted in further closure of the Charity's Centre from October 15th 2020 until June 28th 2021. As a result, in the year ending 31 August 2021, income from the visitors' centre, fundraising and other events are significantly lower than anticipated.

At the date of approving these accounts the Trustees have a reasonable expectation that the Charity will be able to manage the situation and it has sufficient cash resources to enable it to meet its liabilities, as they are due, for at least 12 months from the date of approval. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Governing document

The Charity is a Limited Company, registration no. 4062415, is governed by its Memorandum and Articles of Association revised 4th December 2012 and is registered with the Charity Commission, no. 1085211.

Recruitment and appointment of trustees

All Trustees are appointed in accordance with article 7 of the Company's Articles of Association. The Trustees are aware of the necessity to maintain and improve the level of competence in the equine, commercial and professional areas. The Trustees are also aware of the need to recruit members to ensure continuity of services into the future. The application and recruitment process has seen updates in literature regarding the posts and a thorough selection processes put in place, ensuring that applicants with the appropriate specialist skill sets and personal interests are appointed as Trustees.

Training and induction of trustees

All Trustees complete an induction process that includes elements on governance and the role of a trustee within the Organisation. Training of Trustees is usually informal as the majority are long standing or have been appointed for their specialist business or equine knowledge.

Management responsibilities

HAPPA's Board of Trustees convene every three to four months to monitor the affairs of the Organisation and to set policy and agree expenditure. Board meetings are currently held at the Centre with social distancing and hygiene measures. The Annual General Meeting is held in May. The Board seek advice on matters such as finance, insurance, health and safety, human resources, marketing etc to ensure best practice is followed at all times. Decision making is made at Board level or delegated, by agreement, to the Chief Officer. Financial expenditure is decided at Board level although expenditure to an agreed level can be authorised by the Chief Officer. Operational Management is largely the responsibility of the Chief Officer who works with the senior management team to ensure the Organisation's day-to-day affairs are managed effectively.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2021

Risks

The Board have identified three main areas of risk that the Organisation is exposed to.

These are:-

The availability of finance to allow the operations to continue.

Damage to HAPPA's reputation.

Health and safety of staff and volunteers.

The Trustees recognise that the main risks in relation to Corona Virus / Omicron over the next financial year are:-

Loss of income due to Government restriction.

The safety of all staff, volunteers and visitors.

Risk management

HAPPA's risk management strategy:-

Ensures that risk management is a prime consideration within the Organisation's culture and its approach to operational activities; ensures that potential risks are identified at the planning stage and a raft of options are agreed as to how best to identify and manage potential risks; ensures that internal controls are in place to effectively manage risks as they arise; ensures that professional advice is sought and insurance or other arrangements put in place to manage the impact of unavoidable risks.

ABOUT HAPPA

Founded in 1937 to help fight against the transportation of large horses to the continent for slaughter, HAPPA continues to play a major role in all aspects of equine welfare. Instrumental in achieving better protection for horses with the Riding Establishments Act, The Ponies Act 1969, The Illegal Tethering Act 1991 and by setting up the National Equine Welfare Committee 1997, HAPPA continues to campaign for improvements to existing legislation to ensure that horses, ponies and donkeys are protected from cruelty and neglect.

Charitable objectives

As defined in the governing document, to prevent unnecessary suffering to horses and neglect of their bodily needs by assisting in the enforcement of laws regarding humane treatment and encouraging and promoting education in the humane treatment of horses.

The HAPPA Strategy 2021-2026 outlines changes to the mission statement, values and main beliefs. Our vision is; every equine in our care deserves a second chance in a forever home. Mission is; to strive to give a second chance to neglected, abused and unwanted equines through rescue, rehabilitation, rehoming and education.

Adjustments have been made to match our hopes for every equine that comes into the Charity's care. The mission is the reason we develop other areas of operations to increase charitable income, enabling financial self-sufficiency and longevity. Education remains a focus due to the importance of every person caring for an equine possessing the necessary knowledge to meet its welfare needs.

Corona Virus

The Centre closed to visitors October 2020 to June 2021 during national lockdown, all onsite fundraising events as a result were cancelled. Where operationally viable remaining staff members worked from home. The hospitalities team and receptionists were furloughed; wages during this time claimed in full and in part through the Government Staff Retention Scheme. The equine care team continued to deliver excellent standards of care to resident and rescued equines whilst following strict social distancing and hygiene measures.

The Charity delivered its core objectives by continuing to respond to reports of cruelty and neglect; additions were made to the equine inspectorate safe working practices to address social distancing and hygiene measures. HAPPA equine loan support continued by the use of virtual meetings.

When Government restrictions allowed, and, after an assessment of potential risks and exploration of a raft of options, the Charity's Centre re-opened by appointment only to visitors with the addition of strict protocols and procedures. Visitors are asked to read full instructions and FAQ's before arrival onsite, The Café opened by table reservations and take out service only. The track and trace scheme adhered to by contact details being taken and recorded. The control and record keeping of footfall to the Centre through a visitor online booking system, the reduction of office staff members on site – homeworking where applicable.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2021

Government restrictions are monitored closely and operational changes are made to ensure full compliance. In June 2021 a Government lifting of restrictions resulted in the re-opening of all Shores Hey Farm visitor facilities. A series of Local Government Restriction Grants received during the financial year maintained funds. The situation continues to be monitored closely.

Public benefit

The Trustees have followed the Charity Commissions guidance on Public Benefit in carrying out their activities, through rescue, rehabilitation, rehoming and education, as set out below. The activities of the Charity are available to all, irrespective of affordability through visiting, memberships; annual memberships are currently fixed at £20 with reductions for senior members. Supporters are encouraged to become a Second Chance Sponsor and support the rehabilitation of a chosen equine. A minimum donation is payable for access to see the resident horses, a donation is not payable for members and sponsors.

Rescue

HAPPA's Equine Inspectors investigate over 300 cases of cruelty and neglect each year, offering advice and support where possible and preventing cruelty by intervention and prosecution where necessary. They have a wide range of expertise on all aspects of equine welfare and are fully conversant with the laws relating to the application and implementation of equine legislation within the Animal Welfare Act 2006; Animals Act 1971; Horse Passport Regulations 2009; Control of Horses Act 2015.

Rehabilitation

HAPPA has a fully equipped Rescue Centre to ensure that all rescued and abandoned animals are restored lovingly back to health. Our Centre, based in Lancashire has stabling for approximately 50 equines at any one time with a strong emphasis on rehabilitation and rehoming. We treat each animal as an individual and take great care to provide the right environment and care programme for them all. Our Centre team and facilities has been expanded to deliver more consistent equine care and to offer greater opportunities to all animals at Shores Hey Farm, further developments have seen the refurbishment of existing out buildings into a new Equine Assessment Unit enabling the separation of equines returning from loan homes from rescued equines susceptible to zoonotic and contagious diseases housed in the Isolation Unit. This facility enables a timely turnaround of low risk HAPPA horses.

Through careful analysis of equine care resources, time and workload the number of equines accommodated at Shores Hey Farm is now maintained to between 40 and 45, this has enabled the care team to concentrate solely on the rehabilitation of fewer allocated equines. As a result significant improvements are seen in the ability to rescue and rehome equines.

Rehoming

All suitable equines are placed; in private homes through our legally binding loan scheme or those with specialist needs at the HAPPA Rescue Centre. Throughput numbers have increased this year due to rehoming activities returning to normal. Equine rehabilitation efficiency has improved. The average equine stay in centre timeframe has reduced in comparison to previous years, this is largely due to the reduction of resident equines completing the rehabilitation process and the introduction of the Project Horse Scheme. There has been a 34% increase in the numbers taken into the Charity's care and a 30% increase in the number of equines rehomed through the various rehoming schemes.

Advice and education

The equine action team are always available to offer advice and guidance on all aspects of equine welfare. An online horse care course has been launched, and the educational sessions are now held onsite throughout the year. The Charity provides a range of free information sheets covering a range of equine related topics. An exciting new online junior member's club will be launched in 2022 to further expand our educational reach.

Online digital platforms and social media content has been tailored to offer advice and educate followers, further development of the Charity's online presence has resulted in an increase of brand awareness, followers, supporter demographic and customer engagement.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2021

OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS

The Charity aims to prevent suffering, cruelty and neglect of equines through rescue, rehabilitation, rehoming and education. It aims to achieve its objectives by:-

Maintaining financial security

HAPPA is committed to maintaining financial security and recognises that Government restrictions will have a detrimental impact on fundraising income levels. To address this threat, the Charity has invested in the development of the onsite shop, educational activities and digital technology. Continuing to invest in marketing of legacies throughout the pandemic. All will ensure the Charity's survival in unprecedented times.

The conference suites have now been utilised for the expansion of the onsite shop. Within this space income is generated through sale of new and used equestrian items and farm themed gifts and toys. The shop is directly related to the charities core objectives by selling items that enhance the lives of equines. The shop is also a source of discounted, second hand, equestrian products for members of the public to purchase that are struggling financially during unprecedented times. Online auctions are generating extra income and an associated ecommerce site is meeting the demands of a trend in safe online shopping.

The onsite café re-opened in June 2021, alongside reopening a new menu launched with the visiting customer in mind. Feedback and sales have been promising with further developments to include evening opening and seasonal events seen in 2022.

By improving income generation through the development of a robust and current donor database, investment in legacy marketing initiatives and the development and delivery of comprehensive digital customer engagement and fundraising strategy the Charity hopes to maintain income at a sustainable level. Greater use of digital and technology, particularly social media will ensure that the brand is promoted to the widest audience possible and that awareness and new income is generated.

Legacy Marketing - Our legacy leaflets and legacy booklets are kept under review and distributed to solicitors and other interested supporters. The legacy page on the website is regularly reviewed and updated. Active on-going reviews of all administration relating to legacy management will create return.

Donations - Donors have the ability to make a secure online donation before visiting the stables and are invited to contribute towards tangible projects via the Charity's magazines, website appeals and social media campaigns. Donations are also solicited through press releases highlighting latest rescues and through the introduction of mail shots. The donor database builds a robust and current contact list and we now have the infrastructure in place to effectively support data capture. Further improvements to the utilisation of technology will allow for considerable growth in electronic marketing.

Second Chance Sponsorship Scheme -The scheme enables our supporters to become part of the resident equines journey to finding a Forever Home. All the animals we rescue deserve a Second Chance of happiness; we work very hard to rehabilitate every animal admitted to our Centre and eventually find them their Forever Home with a loving family. We celebrate every time the right home is found for one of our horses, ponies and donkeys and we want sponsors to celebrate every time their sponsored equine finds their Forever Home. We are anticipating a significant increase to current sponsor figures during 2022. The administration of this scheme also attracts donor retention.

Corporate Sponsorship Scheme – Enables local and international businesses to become involved in our work by sponsoring the care of a HAPPA horse or a stable block. Corporate Sponsors receive regular team updates on their sponsorship. Businesses are asked to celebrate our success, to champion when sponsored equines complete their rehabilitation.

Membership - Supporters are actively encouraged to 'Join the HAPPA Herd' and become a member; a membership policy statement is available and the offering is open to as many members as possible, provided they are over eighteen and genuinely motivated by equine welfare. Fees for the offering are staying consistent; however the benefits for becoming a member of the Organisation have increased.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2021

Fundraising Practices

The Development Manager organises and manages all fundraising events onsite and online. Co-ordinating the activities of our supporters both on site and outside of the Organisation. The Charity does not use professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

The Organisation has signed up to the Fundraising Regulator's Code of Fundraising Practice, as a result, all of the fundraising guidance and working practices have been updated to ensure compliance. Volunteer fundraisers are now given a briefing before they raise funds for the Charity and will also be given forms to complete.

To protect vulnerable persons all direct marketing is undertaken by the development team to ensure that it is not unreasonably intrusive or persistent. Contact is made through direct marketing a maximum of three times a year but usually quarterly. All marketing material contains clear instructions on how a person can be removed from mailing lists. A complaints procedure is in place to protect persons that feel the Charity has not acted in their best interests.

Improving the general infrastructure of HAPPA

We are passionate about ensuring that all staff have the opportunity to develop and complete appropriate training the Organisation has the required policies and procedures in place to support future development. This includes embracing new technologies that will benefit the organisation and further improve staff development systems and opportunities.

Staff training and development - A comprehensive staff induction scheme is in place. Combined with a modern appraisal system and enhanced opportunities for consultation and communication, staff motivation is high which will impact positively on staff retention levels. Staff are encouraged to attend internal and external training sessions e.g. fundraising, legacy workshops and horse management and participate in external meetings and conferences. Prosecution and PACE training has improved the efficiency and effectiveness of front line staff and management training for those in a more senior role enhanced knowledge and provided for a more informed and united workforce.

Professional Guidance – the Charity recognises that bespoke professional advice and support is necessary to ensure that the Organisation keeps abreast of changing legislation, manages its financial affairs appropriately and recruits and retains effective and motivated people. The Charity makes use of qualified consultants as and when necessary. In line with good practice, the Charity regularly tenders for professional services to ensure the best level of support at competitive rates.

Data Management - The team have worked hard across the Organisation to ensure that policies and procedures have been updated and improved to ensure compliance with relation to the General Data Protection Regulation (GDPR) as a result; an alternative data management system was sourced in 2019, a data breach reporting procedure put in place and the allocation of responsibility with regards the proper management of supporter data and associated administration.

Staffing Structure - After a comprehensive evaluation of the staffing team and consideration for future plans including the charities recovery from Covid-19 a restructure of the staffing team resulted in a small number of redundant roles.

Developing the HAPPA Brand and developing public approval and awareness

A comprehensive Marketing Strategy is updated annually; in addition a digital supporter engagement strategy has been composed to address the reduction of footfall to site at the beginning of the year. Publications are constantly reviewed to promote Organisational initiatives and keep the brand fresh. The Charity's website has been redesigned and updated to address the two clear facets of our Organisation, showcasing the integrity of our equine welfare work, whilst highlighting our commercial activities and our role as a tourist destination, keeping our name at the forefront across all areas of our work.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2021

We continually review our public interface to help us deliver a more cohesive and contemporary brand identity that will see all new activities plus our existing core business being promoted in an exciting and innovative way. Promotional merchandise is kept under review and improved where appropriate.

Advertising - take a structured approach to advertising and aims to continue to focus on building brand awareness using hard copy and digital media. By raising brand awareness, the HAPPA Shores Hey Farm brand will become much familiar, resulting in being attractive to potential donors.

Corporate Style – The HAPPA logo and The Fussy Filly logo are the recognisable brands associated with our charitable operations. The closure of the conferencing suites has been a catalyst to dispersing with the previous multifaceted branding approach.

Pursuing activities that prevent cruelty and suffering to equines.

This is achieved by improving equine accommodation at the Centre, by providing guidance to personnel and members of the public who are involved in assessing equines.

Equine accommodation plus additional Centre facilities - During the year the Charity has continued to maintain and improve the facilities at the Shores Hey Rescue Centre to a high standard, providing the very best facilities for equine care and rehabilitation plus a great experience for visitors to the site. In addition the crew barn and the adjoined building were refurbished to offer an additional indoor space for socialisation and behavioural work with the equines and an Equine Assessment Unit. A weigh bridge, purchased with supporter donations, is an important piece of equipment for monitoring weight loss and gain.

Training – Workshops and educational days are held at Shores Hey Farm to highlight appropriate methods of safely approaching, controlling and handling equines, these are currently held onsite. Both employed personnel and members of the public benefit from these workshops. In 2022 these will be developed by way of offering additional adult training days, with the focus of improving standards of equine care in the local community.

Systems – A complete review and upgrade of existing systems has allowed for the introduction of policies and protocols to better manage animals requiring accommodation and those currently in our care.

Improving the HAPPA experience for volunteers, visitors and supporters

Improving visitor facilities at Shores Hey Farm and further developing the volunteer programme:

To ensure compliance with current restrictions reception area, adjacent to the main car park, is utilised for the administration of a booking system. The booking system is an important tool to monitor footfall and ensure Government restrictions; social distancing and hygiene measures are maintained.

Visitor facilities – The activities room, arena hire, onsite play area, education room and second hand book shop are open. Shores Hey Farm stable areas and outbuilding are open, the café is open and is accepting walk-ins and table reservations. All Government restrictions and guidance are followed.

The Visitor's Centre including The Café is well supported by members of the public, a major reduction of income this year is evident due to Government restrictions. This facility reopened in June. QR codes supplied by the government scheme are displayed in reception areas and entrance walkways.

Volunteer Management - the vital role that volunteers play in delivering HAPPA services and in raising funds has always been recognised and resulted in the development of key volunteer roles and volunteer packs for people that are interested.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2021

Achievements

During the year the charity has achieved its objectives by attending 189 complaints of cruelty and neglect, accepting 46 needy equines and rehoming 44 equines on permanent loan. At the year-end 40 equines were in residence at the Rescue Centre, and 254 equines accommodated in homes through our loan scheme.

Shores Hey Farm has seen visitor numbers of 4600 during 2021, an increase in comparison to the year prior. There is an expected increase in 2022 (dependant on any further enforced government restrictions).

FINANCIAL REVIEW

The financial statements set out on pages 15 to 29 show a net movement in funds for the year amounting to a deficit of £230,268 (2020: surplus £194,779) and net assets of £3,756,693 (2020: £3,986,961) at 31 August 2021.

The net movement in funds:

Operating deficit	£(404,525)
Investment gain	£174,257

Legacies continue to be the core but volatile source of income for the Charity and the charity is actively working to increase the awareness of the charity to members and the public and encourage them to include legacies to the Charity in their wills. Legacy income in the year has reduced from £1,063,840 to £373,084, a reduction of £690,756 in comparison to last financial year.

The Charity is dependent upon the services of unpaid volunteers for fundraising and other purposes, the effect of which cannot be quantified. The Trustees have considered the most appropriate policy for investing funds and have appointed investment managers to work towards a target return agreed by the Trustees.

RESERVES POLICY

The Trustees have reviewed the reserves of the charity. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves.

The review concluded that to allow the Charity to continue the current activities a general reserve equivalent to £2 million should be maintained. This equates to approximately two years of unrestricted fund expenditure. At the year end the Charity's general reserve, not already allocated to building projects nor invested in fixed assets, amounted to £1,517,475.

The Trustees consider the current reserves to be sufficient in light of the measures taken by the Government to combat the spread of the Corona Virus, the Trustees will continue to monitor the situation going forward.

LAND AND BUILDINGS

In the opinion of the Trustees there is no significant difference between the market value and the book value of the Charity's interest in land and buildings.

PLANS FOR FUTURE PERIODS

The Charity has seen an increase of income from fundraising and trading activities this year in comparison to 2020 due to Government restrictions being lifted and a considerable reduction in legacy income throughout this financial year. The Charity will continue to respond to reports of equine cruelty and neglect, ensuring high standards of care for resident equines by following Government restrictions and guidelines in relation to social distancing and hygiene. Rehoming of equines will continue whilst restrictions allow it. Equine throughput has improved considerably and enabled a predicted increase of financial difficulties and equine cruelty and neglect to be accommodated.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2021

The Trustees recognise that Government imposed Corona Virus restrictions may still have an effect on income from immediate and future charitable activities, reserves will be utilised as and when needed to ensure financial security. For financial stability investments will be made in the development of onsite and online income generating activities and advances in digital technology. Alongside these focus now shifts to developing the charities educational offering.

The situation regarding Corona Virus and related restrictions will be monitored closely by the Board of Trustees; all will continue to safely further the Charity's objectives and activities, as detailed above. A Covid-19 recovery plan has been implemented.

AUDITORS

MHA Moore and Smalley will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies act 2006 relating to small companies.

28/04/2022

Approved by order of the board of trustees on and signed on its behalf by :



.....
J Byrnes – Trustee

HORSES AND PONIES PROTECTION ASSOCIATION

STATEMENT OF TRUSTEE RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of Horses and Ponies Protection Association for the purposes of company law) are responsible for preparing the Report of the Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- Select suitable accounting policies and then apply them consistently ;
- Observe the methods and principles in the Charity SORP 2015 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards 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 charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 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 auditors are unaware; and
- 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 auditors are aware of that information

HORSES AND PONIES PROTECTION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the financial statements of Horses and Ponies Protection Association (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31 August 2021, and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 financial statements section of our report. We are independent of the 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 charitable company'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 trustees are responsible for the other information contained within the Report of the Trustees. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

HORSES AND PONIES PROTECTION ASSOCIATION
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 AUGUST 2021

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' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 11, the trustees (who are also the directors of the 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 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 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

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.

HORSES AND PONIES PROTECTION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 AUGUST 2021

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 specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Reviewing minutes of meetings of those charged with governance;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

Because of the field in which the client operates we identified that employment law, health and safety legislation and compliance with the UK Companies Act are the areas most likely to have a material impact on the financial statements.

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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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. Our audit work has been undertaken so that we might state to the 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.

Nicola Mason

**Nicola Mason (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor**

Richard House
9 Winckley Square
Preston
PR1 3HP

06/05/2022
.....

HORSES AND PONIES PROTECTION ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted general funds	Restricted funds	Total funds Year ended 31 August 2021	Total funds Year ended 31 August 2020
Income and endowments from:	Note	£	£	£	£
Donations and legacies	2	486,744	-	486,744	1,167,263
Charitable activities	3	16,637	-	16,637	11,995
Other trading activities	4	70,960	-	70,960	129,658
Investments	5	22,336	-	22,336	28,379
Other income	6	125,010	-	125,010	90,028
Total income		721,687	-	721,687	1,427,323
Expenditure on:					
Raising funds	7	145,400	-	145,400	213,732
Charitable activities					
Equine welfare	8	980,812	-	980,812	982,408
Total expenditure		1,126,212	-	1,126,212	1,196,140
Net surplus/(deficit) before movement on investments		(404,525)	-	(404,525)	231,183
Net gains/(losses) on investments		174,257	-	174,257	(36,404)
Net income/(expenditure)		(230,268)	-	(230,268)	194,779
Reconciliation of funds					
Total funds brought forward		3,986,961	-	3,986,961	3,792,182
Total funds carried forward		3,756,693	-	3,756,693	3,986,961

HORSES AND PONIES PROTECTION ASSOCIATION

BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Fixed assets					
Intangible assets	14	4,140	-	4,140	6,921
Tangible assets	15	2,235,078	-	2,235,078	2,305,194
Investments	16	1,088,620	-	1,088,620	1,005,622
		<u>3,327,838</u>	<u>-</u>	<u>3,327,838</u>	<u>3,317,737</u>
Current assets					
Stock		15,394	-	15,394	12,619
Debtors	17	153,077	-	153,077	172,132
Cash at bank and in hand		296,659	-	296,659	524,408
		<u>465,130</u>	<u>-</u>	<u>465,130</u>	<u>709,159</u>
Creditors: amounts falling due within one year					
	18	(36,275)	-	(36,275)	(39,935)
Net current assets		<u>428,855</u>	<u>-</u>	<u>428,855</u>	<u>669,224</u>
Total assets less current liabilities		3,756,693	-	3,756,693	3,986,961
Net assets		<u><u>3,756,693</u></u>	<u><u>-</u></u>	<u><u>3,756,693</u></u>	<u><u>3,986,961</u></u>
Funds					
Unrestricted funds	20	3,756,693	-	3,756,693	3,986,961
		<u>3,756,693</u>	<u>-</u>	<u>3,756,693</u>	<u>3,986,961</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

28/04/2022

The financial statements were approved by the Board of Trustees on and were signed on its behalf by :



J Byrnes – Trustee

Company number: 04062415 (England and Wales)

HORSES AND PONIES PROTECTION ASSOCIATION
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash generated (used in)/ generated by in operating activities	21	<u>(332,036)</u>	<u>160,899</u>
Cash flows from investing activities			
Investment income		22,336	28,379
Purchase of fixed assets		(9,308)	(19,800)
Purchase of investments		(236,556)	(220,452)
Proceeds on disposal of investments		327,815	268,482
Cash (used in)/provided by investing activities		<u>104,287</u>	<u>56,609</u>
(Decrease)/Increase in cash and cash equivalents in the year		(227,749)	217,508
Cash and cash equivalents at the beginning of the year		524,408	306,900
Total cash and cash equivalents at the end of the year		<u>296,659</u>	<u>524,408</u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparing the financial statements

The financial statements of the charitable company 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)(effective October 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Horses and Ponies Protection Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

Preparation of the accounts on a going concern basis

The trustees are required to assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the accounts. The Trustees are monitoring the continued impact of the Government measures to combat corona virus. At the date of approving these accounts the directors have a reasonable expectation that the charity will be able to manage the situation and that it has sufficient cash resources to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Grant income is recognised when the charity is entitled to the funds. This include income in respect of the coronavirus job retention scheme and the retail and hospitality grant.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs include central functions and have been allocated to charity cost categories on a basis consistent with the use of resource, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES – continued

Intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	-	20% p.a. straight line
----------	---	------------------------

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold interest in land and buildings	-	2% p.a. straight line
Stables and equipment	-	10% p.a. on reducing balance
Fixtures and fittings	-	10% -30% p.a. on reducing balance
Motor vehicles	-	25% p.a. on reducing balance

Stocks

Stocks are valued at the lower cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The company is a registered charity and to the extent that its income is applied on the specific charitable objects of the charity is exempt from taxation. Income receivable in respect of non primary purpose trade is taxable.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES – continued

Legacies

Income from legacies is recognised when the charity has sufficient evidence that a gift has been left to them, that where required, probate has been granted, the executor is satisfied the property in question will not be required to satisfy claims in the estate, that is probable that the amount will be received by the charity, and the amount to be received can be estimated with sufficient accuracy, and that any conditions attached to the legacy are either within the control of the charity or have been met.

Where a payment is received from an estate or is notified as receivable by the executors after the reporting date and before the accounts are authorised for issue but it is clear that payment had been agreed by the executor prior to the end of reporting period, then the amount concerned is treated as an adjusting event and accrued as income in accounting period if receipt is probable.

Where the charity has established entitlement to a legacy but there is uncertainty as to the amount of the payment, details of the legacy are disclosed as a contingent asset until the criteria for the income recognition are met. Where a legacy is subject to the interest of a life tenant, the legacy is not recognised as income until the death of life tenant. At the year end there are not such amounts.

If it is doubtful that the full settlement of the legacy debtor will be received, the adjustment is made to reduce the amount of the legacy debtor and legacy income rather than charging the adjustment as expenditure in the SOFA.

Governance costs

Governance costs include costs of the preparation and audit of the statutory accounts, the costs of the trustees meetings and costs of any legal advice to trustees on governance or constitutional matters.

Fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value year end.

Operating leases

Rental payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES – continued

Critical accounting estimates and areas of judgement

Accounting 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.

Critical accounting estimated and assumptions

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

2 DONATIONS AND LEGACIES

	Unrestricted general funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Donations and subscriptions	104,479	-	104,479	101,448
Gift Aid donations including tax reclaim	9,181	-	9,181	1,975
Legacies and bequests	373,084	-	373,084	1,063,840
	486,744	-	486,744	1,167,263

Income from donations and legacies of £486,744 was unrestricted (2020: £1,147,093 unrestricted).

3 CHARITABLE ACTIVITIES

	Unrestricted general funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Membership fees	6,793	-	6,793	4,447
Loan scheme	6,594	-	6,594	6,548
Cross agency fees	3,250	-	3,250	1,000
	16,637	-	16,637	11,995

Income from charitable activities for both 2021 and 2020 was unrestricted.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

4 OTHER TRADING ACTIVITIES

	Unrestricted general funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Merchandising sales	31,717	-	31,717	31,974
Visitor centre sales	39,243	-	39,243	97,684
	70,960	-	70,960	129,658

Income from other trading for both 2021 and 2020 was unrestricted.

5 INVESTMENT INCOME

	Unrestricted general funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Income from listed investments	22,331	-	22,331	27,783
Interest income	5	-	5	596
	22,336	-	22,336	28,379

Investment income for both 2021 and 2020 was unrestricted.

6 OTHER INCOME

	Unrestricted general funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Events income	-	-	-	99
Other income	125,010	-	125,010	89,929
	125,010	-	125,010	90,028

Other income for both 2021 and 2020 was unrestricted.

Other income includes £57,619 (2020: £50,939) in respect of the coronavirus job recovery scheme and £49,758 (2020: £25,000) retail and hospitality grants and other support grants

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

7 RAISING FUNDS

Donations and legacies

	Unrestricted general funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Advertising costs	13,340	-	13,340	12,717
Training costs	4,026	-	4,026	8,792
Fundraising costs	1,991	-	1,991	2,518
	<u>19,357</u>	<u>-</u>	<u>19,357</u>	<u>24,027</u>

Other trading activities

Purchases	36,150	-	36,150	67,389
Staff costs	81,977	-	81,977	114,794
	<u>118,127</u>	<u>-</u>	<u>118,127</u>	<u>182,183</u>

Investment management costs

Investment management fees	7,916	-	7,916	7,522
	<u>7,916</u>	<u>-</u>	<u>7,916</u>	<u>7,522</u>

Total raising funds

	<u>145,400</u>	<u>-</u>	<u>145,400</u>	<u>213,732</u>
--	----------------	----------	----------------	----------------

Costs of raising funds related to unrestricted funds in the current and previous year.

8 CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9) £	Support costs (See note 10) £	Totals £
Equine Welfare	<u>954,809</u>	<u>26,726</u>	<u>981,535</u>

The cost of charitable activities related to unrestricted funds in the current and previous year.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

9 DIRECT COSTS OF CHARITABLE ACTIVITIES

	Unrestricted general funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Staff costs	618,397	-	618,397	576,808
Establishment costs including insurance	50,148	-	50,148	61,694
Repairs, Maintenance and replacement	83,433	-	83,433	95,960
Office expenses	5,897	-	5,897	3,537
Printing, posting, stationery and newsletters	11,738	-	11,738	11,544
Animal feedstuff, veterinary fees and miscellaneous costs	75,122	-	75,122	87,976
Motor expenses	21,836	-	21,836	23,476
Legal and professional fees	5,307	-	5,307	6,975
Loss on disposal of assets	-	-	-	136
Depreciation	82,208	-	82,208	86,368
	954,086	-	954,086	954,474

10 SUPPORT COSTS

	Management £	Governance costs £	Totals £
Equine welfare	15,683	11,088	26,726

Support costs, included in the above, are as follows:

	Unrestricted general funds £	Restricted funds £	Total funds 2021 £	Total funds 2020 £
Wages	10,414	-	10,414	9,757
Social security	701	-	701	747
Accountancy and payroll fees	5,768	-	5,768	5,622
Bank charges	4,523	-	4,523	4,611
Auditors' remuneration	5,700	-	5,700	6,319
Trustee indemnity insurance	(380)	-	(380)	878
	26,726	-	26,726	27,934

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

11 NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting) :

	2021	2020
	£	£
Auditors' remuneration	5,700	6,319
Depreciation and amortisation – owned assets	82,208	86,504
Operating lease rentals	3,139	1,452
Loss on disposal of fixed assets	-	-

12 TRUSTEES' REMUNERATION AND BENEFITS

Trustees' expenses

No trustees received nor waived any remuneration during the year and no trustees had any expenses reimbursed during the current and prior year.

Trustees indemnity insurance amounted to £878 (2020: £878). Donations of £100 were received from trustees in the year.

13 STAFF COSTS

	2021	2020
	£	£
Wages and salaries	656,898	652,231
Social security costs	43,156	39,260
Other pension costs	11,435	10,615
	711,489	702,106

No employees received emoluments in excess of £60,000

Remuneration of Key Management Personnel which relates to the Chief Executive Officer was £55,300 (2020: £53,162).

The number of employees during the year was:

	2021	2020
Administration	10	10
Animal welfare	25	28
Visitor centre	7	9
	42	47

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

14 INTANGIBLE FIXED ASSETS

	Computer Software £	Total £
Cost or valuation		
At 1 September 2020	13,904	13,904
Additions	-	-
Disposals	-	-
At 31 August 2021	13,904	13,904
Depreciation		
At 1 September 2020	6,983	6,983
Charge in the year	2,781	2,781
Eliminated on disposal	-	-
At 31 August 2021	9,764	9,764
Net book value		
At 31 August 2021	4,140	4,140
At 1 September 2020	6,921	6,921

15 TANGIBLE FIXED ASSETS

	Freehold premises £	Stables and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2020	2,477,388	463,821	139,689	113,655	3,194,553
Additions	-	752	8,556	-	9,308
Disposals	-	-	-	-	-
At 31 August 2021	2,477,388	464,573	148,245	113,655	3,203,861
Depreciation					
At 1 September 2020	452,917	283,517	60,886	92,039	889,359
Charge in the year	47,229	18,106	8,687	5,402	79,424
Eliminated on disposal	-	-	-	-	-
At 31 August 2021	500,146	301,623	69,573	97,441	968,783
Net book value					
At 31 August 2021	1,977,242	162,950	78,672	16,214	2,235,078
At 1 September 2020	2,024,471	180,304	78,803	21,616	2,305,194

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

16 FIXED ASSET INVESTMENTS

	£
At 1 September 2020	1,005,622
Additions	236,556
Disposals	(327,815)
Revaluations	174,257
At August 2021	<u>1,088,620</u>

Listed investments

Investments having a market value of £1,088,620 (2020 - £1,005,622) are listed on a recognised stock exchange.

17 DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Other debtors	3,762	158,748
Prepayments and accrued income	149,315	13,384
	<u>153,077</u>	<u>172,132</u>

18 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	11,813	12,973
Taxation and social security	9,998	9,331
Other creditors	14,464	17,631
	<u>36,275</u>	<u>39,935</u>

19 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid:

	2021 £	2020 £
Within one year	586	-
Between one and five years	1,903	-
	<u>2,489</u>	<u>-</u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

20 MOVEMENT IN FUNDS

	At 1 September 2020	Incoming resources	Outgoing resources	Transfers and other gains	At 31 August 2021
	£	£	£	£	£
Unrestricted funds					
General funds	1,674,846	721,687	(1,044,004)	164,949	1,517,478
Fixed asset funds	2,312,115		(82,208)	9,308	2,239,215
Restricted funds					
Donations	-	-	-	-	-
Total funds	<u>3,986,961</u>	<u>721,687</u>	<u>(1,126,212)</u>	<u>174,257</u>	<u>3,756,693</u>

	At 1 September 2019	Incoming resources	Outgoing resources	Transfers and other gains	At 31 August 2020
	£	£	£	£	£
Unrestricted funds					
General funds	1,413,363	1,407,153	(1,089,466)	(56,204)	1,674,846
Fixed asset funds	2,378,819	-	(86,504)	19,800	2,312,115
Restricted funds					
Donations	-	20,170	(20,170)	-	-
Total funds	<u>3,792,182</u>	<u>1,427,323</u>	<u>(1,196,140)</u>	<u>(36,404)</u>	<u>3,986,961</u>

21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO CASH FLOW FROM OPERATING ACTIVITIES

	Total funds 2021	Total funds 2020
	£	£
Net movement in funds	(230,268)	194,779
Depreciation and amortisation	82,205	86,504
Loss/(Surplus) on disposal	-	-
Dividend income shown in investing activities	(22,336)	(28,379)
Decrease/(increase in stock)	(2,775)	2,369
Decrease/(increase in debtors)	19,055	(130,211)
Increase/(decrease in creditors)	(3,660)	(567)
Gains/(losses) on investment assets	(174,257)	36,404
Net cash generated by/(used) in operating activities	<u>(332,036)</u>	<u>(160,899)</u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

22 PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted £11,435 (2020: £10,615).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

23 RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2021 except those as disclosed in note 12 to the accounts.

Controlling entity

The charity is under the control of the trustees

24 CONTINGENT ASSETS

The Charity uses a service which gives notification that it is included in a will. The Charity tracks any legacies that it is notified of but does not recognise them in the accounts until they are entitled to them, receipt is probable and a value can be attributed to them. As such the Charity has contingent assets that it cannot currently quantify.

25 MEMBERS' LIABILITY

The Charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

HORSES AND PONIES PROTECTION ASSOCIATION

England & Wales - Charity number 1085211

Accounts

Company Registration No. 04062415 (England and Wales)

Charity No: 1085211

Horses and Ponies Protection Association

**Report of the Trustees and
Financial Statements**

for the Year ended 31 August 2020

HORSES AND PONIES PROTECTION ASSOCIATION

CONTENTS

	Page
Reference and Administrative Details	2
Report of the Trustees	3
Statement of Trustees Responsibilities	11
Report of the Independent Auditors	12
Statement of Financial Activities	15
Balance Sheet	16
Statement of cashflows	17
Notes to the Financial Statements	18

HORSES AND PONIES PROTECTION ASSOCIATION

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2020

Trustees	J Byrnes (Chair) J M Farley FCA A Gill P A Warren M Loneran (Appointed 21 July 2020)
Company Secretary	S Bartlett
Chief Executive Officer	S Arthur
Registered Office	Taylor Building, Shores Hey Farm Blackhouse Lane, off Halifax Road Briercliffe Burnley Lancashire BB10 3QU
Registered Company Number	04062415 (England and Wales)
Registered Charity Number	1085211
Auditor	MHA Moore and Smalley LLP Chartered Accountants Richard House Winckley Square Preston PR1 3HP
Bankers	Yorkshire Bank 14 Broadway Bradford West Yorkshire BD1 1EZ National Westminster Bank 2 Howe Walk Burnley Lancashire BB11 1QD
Investment Advisor	Investec Wealth & Investment Limited 3 Wellington Place Leeds LS1 4AP Brewin Dolphin Ltd 10 Wellington Place Leeds LS1 4AN

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The accounts comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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) (effective 1 January 2015).

The full name of the charity is Horses and Ponies Protection Association and is known more generally as HAPPA.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Measures taken by the Government to combat the spread of the Corona Virus have resulted in the closure of the Charity's Centre from March to August this financial year. As a result, in the year ending 31 August 2020, income from the visitors' centre, conferences, fundraising and other events is significantly lower than anticipated.

At the date of approving these accounts the Trustees have a reasonable expectation that the Charity will be able to manage the situation and it has sufficient cash resources to enable it to meet its liabilities, as they are due, for at least 12 months from the date of approval. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

Governing document

The Charity is a Limited Company, registration no. 4062415, is governed by its Memorandum and Articles of Association revised 4th December 2012 and is registered with the Charity Commission, no. 1085211.

Recruitment and appointment of trustees

All Trustees are appointed in accordance with article 7 of the Company's Articles of Association. The Trustees are aware of the necessity to maintain and improve the level of competence in the equine, commercial and professional areas. The Trustees are also aware of the need to recruit younger members to ensure continuity of services into the future. The application and recruitment process has seen updates in literature regarding the posts and a thorough selection process put in place, ensuring that applicants with the appropriate specialist skill sets and personal interests are appointed as Trustees.

Training and induction of trustees

All Trustees complete an induction process that has elements on governance and the role of a trustee within the Organisation. Training of Trustees is usually informal as the majority are long standing or have been appointed for their specialist business or equine knowledge.

Management responsibilities

HAPPA's Board of Trustees convenes every three months to monitor the affairs of the Organisation and to set policy and agree expenditure. Board meetings are currently held virtually or at the Centre with strict social distancing and hygiene measures followed by all attending parties. The Annual General Meeting usually held in May was postponed, for attendee safety, until the end of July. The Board seek advice on matters such as finance, insurance, health and safety, human resources, marketing etc to ensure best practice is followed at all times. Decision making is made at Board level or delegated, by agreement, to the Chief Officer. Financial expenditure is decided at Board level although expenditure to an agreed level can be authorised by the Chief Officer. Operational Management is largely the responsibility of the Chief Officer who works with the Development Manager, Hospitality Manager, Head of Equine Operations, Digital Communications Manager, Equine Inspectors and Administration support team to ensure the Organisation's day-to-day affairs are managed effectively.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2020

Risks

The Board have identified three main areas of risk that the Organisation is exposed to.

These are:-

The availability of finance to allow the operations to continue.

Damage to HAPPA's reputation.

Health and safety risk of staff and volunteers.

The Trustees recognise that the main risks in relation to Corona Virus over the next financial year are:-

Loss of income due to Government restriction.

The safety of all staff, volunteers and visitors.

Risk management

HAPPA's risk management strategy:-

Ensures that risk management is a prime consideration within the Organisation's culture and its approach to operational activities; ensures that potential risks are identified at the planning stage and a raft of options are agreed as to how best to identify and manage potential risks; ensures that internal controls are in place to effectively manage risks as they arise; ensures that professional advice is sought and insurance or other arrangements put in place to manage the impact of unavoidable risks.

ABOUT HAPPA

Founded in 1937 to help fight against the transportation of large horses to the continent for slaughter, HAPPA continues to play a major role in all aspects of equine welfare. Instrumental in achieving better protection for horses with the Riding Establishments Act, The Ponies Act 1969, The Illegal Tethering Act 1991 and by setting up the National Equine Welfare Committee 1997, HAPPA continues to campaign for improvements to existing legislation to ensure that horses, ponies and donkeys are protected from cruelty and neglect.

Charitable objectives

As defined in the governing document, to prevent unnecessary suffering to horses and neglect of their bodily needs by assisting in the enforcement of laws regarding humane treatment and encouraging and promoting education in the humane treatment of horses.

Our mission is, to continually strive to improve and promote equine welfare through rescue, rehabilitation, rehoming and education.

Corona Virus

The Centre was closed to visitors from March to August 2020 during national lockdown, all onsite fundraising events as a result were cancelled. Where operationally viable remaining staff members worked from home. The hospitalities team and receptionists were furloughed, wages during this time claimed in full and in part through the Government Staff Retention Scheme. The equine care team continued to deliver excellent standards of care to resident and rescued equines whilst following strict social distancing and hygiene measures.

The Charity delivered its core objectives by continuing to respond to reports of cruelty and neglect; additions were made to the equine inspectorate safe working practices to address social distancing and hygiene measures. HAPPA equine loan support continued by virtual inspections.

When Government restrictions allowed, and, after an assessment of potential risks and exploration of a raft of options, the Charity's Centre re-opened by appointment only to visitors with the addition of strict protocols and procedures. Visitors are asked to read full instructions and FAQ's before arrival onsite, The Café opened by table reservations and take out service only. The track and trace scheme was adhered to by contact details being taken and recorded. Social distancing and hygiene measures maintained by: a one way system around site, increased hygiene measures, the control and reduction of footfall to the Centre, the reduction of office staff members on site - homeworking where possible.

Government restrictions are monitored closely and operational changes are made to ensure full compliance. In November 2020 a Government imposed month long lockdown resulted in the closure of all Shores Hey Farm visitor facilities.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2020

Public benefit

The Trustees have followed the Charity Commissions guidance on Public Benefit in carrying out their activities, through rescue, rehabilitation, rehoming and education, as set out below. The activities of the Charity are available to all, irrespective of affordability through visiting, memberships; annual memberships are currently fixed at £20 with reductions for senior members. Supporters are encouraged to become a Second Chance Sponsor and support the rehabilitation of a chosen equine.

Rescue

HAPPA's Equine Inspectors investigate over 300 cases of cruelty and neglect each year, offering advice and support where possible and preventing cruelty by intervention and prosecution where necessary. They have a wide range of expertise on all aspects of equine welfare and are fully conversant with the laws relating to the application and implementation of equine legislation within the Animal Welfare Act 2006; Animals Act 1971; Horse Passport Regulations 2009; Control of Horses Act 2015.

Rehabilitation

HAPPA has a fully equipped Rescue Centre to ensure that all rescued and abandoned animals are restored lovingly back to health. Our Centre, based in Lancashire cares for approximately 50 equines at any one time with a strong emphasis on rehabilitation and rehoming. We treat each animal as an individual and take great care to provide the right environment and care programme for them all. Our Centre team and facilities have been expanded to deliver more consistent equine care and to offer greater opportunities to all animals at Shores Hey Farm, further developments have seen the refurbishment of existing out buildings into a new Equine Assessment Unit enabling the separation of equines returning from loan homes from rescued equines susceptible to zoonotic and contagious diseases housed in the Isolation Unit. This facility enables a timely turnaround of low risk HAPPA horses, an expected significant increase in throughput will be seen next year.

Rehoming

All suitable equines are placed; in private homes through our legally binding loan scheme or those with specialist needs at the HAPPA Rescue Centre. Throughput numbers have reduced this year; however, improvements will be seen in 2021 due to rehoming activities returning to normal with safe systems of work in place addressing all Government and local restrictions. Horses in need are also taken in via other agencies through a cross agency agreement and schemes that offer a vested interest.

Advice and education

The equine action team are always available to offer advice and guidance on all aspects of equine welfare. The ability to offer advice and education in person has been affected by measures taken by the Government to combat Corona Virus; virtual loan home interactions and virtual potential home inspections have replaced face to face interactions.

Further developments in this area will see the launch of an online horse care course, this will replace the educational sessions that would previously have been held onsite in school holidays. When safe to do so both will run simultaneously. The Charity provides a range of free information sheets covering a range of equine related topics. The junior member's club and educational group workshops are on hold until Government restrictions are lifted.

Online digital platforms and social media content has been tailored to offer advice and educate followers, a conscious effort this year to develop the Charity's online presence has resulted in an increase of brand awareness, followers, supporter demographic and customer engagement. The recruitment of a Digital Communications Manager has been completed; this new role will be integral to the growth and development of this area.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTIVES, ACTIVITIES AND ACHIEVEMENTS

The Charity aims to prevent suffering, cruelty and neglect of equines through rescue, rehabilitation, rehoming and education. It aims to achieve its objectives by:-

Maintaining financial security

HAPPA is committed to maintaining financial security and recognises that Government restrictions will have a detrimental impact on fundraising income levels. To address this threat, the Charity has invested resources into online activities that will generate income. Continuing to invest in marketing of legacy and associated schemes has resulted in an increase of legacy income during the pandemic, ensuring the Charity's survival in unprecedented times.

Catering and facilities hire has ceased due to closure, a forecasted increase of income during normal operations is still promising and investments have been made to improve the decoration and dining environment in The Café, the result will be a fresh welcoming feel when service returns to normal. To reduce stock outlay the farm shop has been replaced by a display area with a sales point for the Charity's sponsorship scheme, a virtual shop where customers can buy essential items for the resident equines and a sale point for branded items.

The onsite equine and farm themed gift shop has been re-launched online, the ecommerce site will meet the needs of a trend for safe online shopping.

During Government restrictions, changes have been implemented to how the charity interacts and engages with all stakeholders; virtual meetings and digital communications have replaced face to face interactions. The continued development of a robust and current donor database, investment in online engagement and fundraising initiatives and further investment in legacy marketing in the hopes to maintain income at a sustainable level. Changes in working practices include home working, online training sessions and social media campaigns which have resulted in a reduction in costs and a small increase in online income.

By improving income generation through the development of a robust and current donor database, investment in legacy marketing initiatives and the development and delivery of comprehensive digital customer engagement and fundraising strategy the Charity hopes to maintain income at a sustainable level. Changes in working practices and streamlining activities is already saving money and opportunities to continue identifying potential savings will be top of every manager's agenda. Growth was seen in the Visitor Centre cafe sales, tack shop, gift shop sales and room hire in 2019 this is encouraging and was on course to create significant income stream, 2020 has not been a true reflection of this and cannot be used as a reflection of growth. Greater use of digital and technology, particularly the exploitation of social media will ensure that the brand is promoted to the widest supported network possible and that awareness and new income is generated.

Legacy Marketing - Our legacy leaflets and legacy booklets are kept under review and distributed to solicitors and other interested supporters. The legacy page on the website is regularly reviewed and updated. Active on-going reviews of all administration relating to legacy management will create return.

Donations - Donors have the ability to make a secure online donation and are invited to contribute towards tangible projects via the Charity's magazines, website appeals and social media campaigns. Donations are also solicited through press releases highlighting latest rescues and through the introduction of mail shots. The donor database builds a robust and current contact list and we now have the infrastructure in place to effectively support data capture. Further improvements to the utilisation of technology will allow for considerable growth in electronic marketing.

Second Chance Sponsorship Scheme -The scheme enables our supporters to become part of the resident equines journey to finding a Forever Home. All the animals we rescue deserve a Second Chance of happiness; we work very hard to rehabilitate every animal admitted to our Centre and eventually find them their Forever Home with a loving family. We celebrate every time the right home is found for one of our horses, ponies and donkeys and we want sponsors to celebrate every time their sponsored equine finds their Forever Home. We are anticipating a significant increase to current sponsor figures during 2021. The administration of this scheme also attracts donor retention.

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2020

Membership - Supporters are actively encouraged to 'Join the HAPPA Herd' and become a member; a membership policy statement is available and the offering is open to as many members as possible, provided they are over eighteen and genuinely motivated by equine welfare. Fees for the offering are staying consistent; however the benefits for becoming a member of the Organisation have increased.

Fundraising Practices

The Development Manager organises and manages all fundraising events onsite and online. Co-ordinating the activities of our supporters both on site and outside of the Organisation. The Charity does not use professional fundraisers or involve commercial participators. There have been no complaints about fundraising activity this year.

The Organisation has signed up to the Fundraising Regulator's Code of Fundraising Practice, as a result, all of the fundraising guidance and working practices have been updated to ensure compliance. Volunteer fundraisers are now given a briefing before they raise funds for the Charity and will also be given forms to complete.

To protect vulnerable persons all direct marketing is undertaken by the development team to ensure that it is not unreasonably intrusive or persistent. Contact is made through direct marketing a maximum of three times a year but usually quarterly. All marketing material contains clear instructions on how a person can be removed from mailing lists. A complaints procedure is in place to protect persons that feel the Charity has not acted in their best interests.

Improving the general infrastructure of HAPPA

We are passionate about ensuring that all staff have the opportunity to develop and complete appropriate training the Organisation has the required policies and procedures in place to support future development. This includes embracing new technologies that will benefit the organisation and further improve staff development systems and opportunities.

Staff training and development - A comprehensive staff induction scheme is in place. Combined with a modern appraisal system and enhanced opportunities for consultation and communication, staff motivation is high which will impact positively on staff retention levels. Staff are encouraged to attend internal and external training sessions e.g. fundraising, legacy workshops and horse management and participate in external meetings and conferences. Prosecution and PACE training has improved the efficiency and effectiveness of front line staff and management training for those in a more senior role enhanced knowledge and provided for a more informed and united workforce.

Professional Guidance – the Charity recognises that bespoke professional advice and support is necessary to ensure that the Organisation keeps abreast of changing legislation, manages its financial affairs appropriately and recruits and retains effective and motivated people. The Charity makes use of qualified consultants as and when necessary. In line with good practice, the Charity regularly tenders for professional services to ensure the best level of support at competitive rates.

Data Management - The team have worked hard across the Organisation to ensure that policies and procedures have been updated and improved to ensure compliance with relation to the General Data Protection Regulation (GDPR) as a result; an alternative data management system was sourced in 2019, a data breach reporting procedure put in place and the allocation of responsibility with regards the proper management of supporter data and associated administration.

Developing the HAPPA Brand and developing public approval and awareness

A comprehensive Marketing Strategy is updated annually; in addition a digital supporter engagement strategy has been composed to address a reduction of footfall to site. Publications are constantly reviewed to promote Organisational initiatives and keep the brand fresh. The Charity's two websites are due to be updated to address the two clear facets of our Organisation, showcasing the integrity of our equine welfare work, whilst highlighting our commercial activities and our role as a tourist destination, keeping our name at the forefront across all areas of our work. We continually review our public interface to help us deliver a more cohesive and

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2020

contemporary brand identity that will see all new activities plus our existing core business being promoted in an exciting and innovative way. Promotional merchandise is kept under review and improved where appropriate.

Advertising - take a structured approach to advertising and aims to continue to focus on building brand awareness using hard copy and digital media. By raising brand awareness, the HAPPA Shores Hey Farm brand will become much familiar, resulting in being attractive to potential donors.

Corporate Style – A review of branding resulted in an increase of general understanding and collaboration of the HAPPA and Shores Hey Farm brands and logos, a fresh approach whilst still honouring the original well known Charity logo. HAPPA and Shores Hey Farm logos must be used appropriately, publications, signage, website and adverts all have a corporate style and are immediately recognised. Redesign of the Charity's two logos will be explored in 2021, with the aim of further coherence and a recognisable connection between the two areas of operation.

Pursuing activities that prevent cruelty and suffering to equines.

This is achieved by improving equine accommodation at the Centre, and by providing guidance to personnel and members of the public who are involved in assessing equines.

Equine accommodation plus additional Centre facilities - During the year the Charity has continued to maintain and improve the facilities at the Shores Hey Rescue Centre to a high standard, providing the very best facilities for equine care and rehabilitation plus a great experience for visitors to the site. In addition the crew barn and the adjoined building have been refurbished to offer an additional indoor space for socialisation and behavioural work with the equines and an Equine Assessment Unit. A weigh bridge, purchased with supporter donations, is an important piece of equipment for monitoring weight loss and gain.

Training - Workshops were previously held at Shores Hey Rescue Centre to highlight appropriate methods of safety approaching, controlling and handling equines, these are currently on hold due to restriction. Both employed personnel and members of the public benefit from these workshops. A comprehensive online training programme will see this important element return during 2021.

Systems – A complete review and upgrade of existing systems has allowed for the introduction of policies and protocols to better manage animals requiring accommodation and those currently in our care.

Improving the HAPPA experience for volunteers, visitors and supporters

Improving visitor facilities at the Rescue Centre and further developing the volunteer programme:

To ensure compliance with current restrictions the conference room reception area, adjacent to the main car park, is being utilised for the administration of a booking system. The booking system is an important tool to minimise footfall and ensure Government restrictions; social distancing and hygiene measures are maintained.

Visitor facilities – The activities room, arena hire, conference and meeting rooms, onsite play area and second hand book shop remain closed. Shores Hey Farm stable areas, outbuildings and the onsite shop are open by appointment only, all Government restrictions and guidance are followed.

The Visitor's Centre including The Café is well supported by members of the public, a major reduction of income this year is evident due to Government restrictions. This facility reopened in August and can only be enjoyed by visitors through table service, table reservations and/or the take out service. Contact details of all diners are taken alongside table reservations and persons taking advantage of the take out service are asked to leave details, ensuring compliance with Government schemes. QR codes supplied by the scheme are also displayed in reception areas and entrance walkways. In November a one month lockdown resulted in its prolonged closure, operations will be reviewed in 2021.

Volunteer Management - the vital role that volunteers play in delivering HAPPA services and in raising funds has always been recognised and resulted in the development of key volunteer roles and volunteer packs for people that are interested. Volunteer days have previously taken place to thank and update existing volunteers

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2020

and to recruit new volunteers. The recruitment of volunteers is now on hold to ensure participant's safety. Revised role descriptions and volunteer benefits have been developed.

Achievements

During the year the charity has achieved its objectives by attending 193 complaints of cruelty and neglect, accepting 34 needy equines and rehoming 33 equines on permanent loan. At the year-end 49 equines were in residence at the Rescue Centre, and 240 equines accommodated in homes through our loan scheme.

Shores Hey Farm has seen visitor's numbers of 4472 a reduction of 50% in comparison to the year prior. There is an expected increase in 2021.

FINANCIAL REVIEW

The financial statements set out on pages 15 to 29 show a net movement in funds for the year amounting to a surplus of £194,779 (2019: deficit £278,449) and net assets of £3,986,961 (2019: £3,792,182) at 31 August 2020.

The net movement in funds:

Operating surplus	£231,183
Investment losses	(£36,404)

Legacies continue to be the core but volatile source of income for the Charity and the charity is actively working to increase the awareness of the charity to members and the public and encourage them to include legacies to the Charity in their wills. Legacy income in the year has increased from £620,344 to £1,063,840, an increase of £443,496 in comparison to last financial year.

In common with many other charities, income from other voluntary sources has fallen.

The Charity is dependent upon the services of unpaid volunteers for fundraising and other purposes, the effect of which cannot be quantified. The Trustees have considered the most appropriate policy for investing funds and have appointed investment managers to work towards a target return agreed by the Trustees.

RESERVES POLICY

The Trustees have reviewed the reserves of the charity. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves.

The review concluded that to allow the Charity to continue the current activities a general reserve equivalent to £2 million should be maintained. This equates to approximately two years of unrestricted fund expenditure. At the year end the Charity's general reserve, not already allocated to building projects nor invested in fixed assets, amounted to £1,674,846.

The Trustees consider the current reserves to be sufficient in light of the measures taken by the Government to combat the spread of the Corona Virus, the Trustees will continue to monitor the situation going forward.

LAND AND BUILDINGS

In the opinion of the Trustees there is no significant difference between the market value and the book value of the Charity's interest in land and buildings.

PLANS FOR FUTURE PERIODS

The Charity has seen a major reduction of income from fundraising and trading activities this year due to Government restrictions alongside an increase in legacy income. The Charity will continue to respond to reports of equine cruelty and neglect, ensuring high standards of care for resident equines by following Government restrictions and guidelines in relation to social distancing and hygiene. Rehoming of equines will continue whilst

HORSES AND PONIES PROTECTION ASSOCIATION

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31 AUGUST 2020

restrictions allow it. A predicted rise in the return of equines from loan homes due to financial difficulties and health issues will be addressed by reducing resident equine numbers.

The Trustees recognise that the Corona Virus restrictions will have an effect on income from immediate and future charitable activities. For financial stability investments will be made in technological advances and a new digital era for the Charity. This will increase brand awareness, encourage ongoing supporter and stakeholder engagement, continue fundraising activities online and enhance the existing educational arm.

The situation regarding Corona Virus and related restrictions will be monitored closely by the Board of Trustees; all will continue to safely further the Charity's objectives and activities, as detailed above. A Covid-19 recovery plan will be devised by the Chief Officer and agreed for implementation by the Board of Trustees.

AUDITORS

MHA Moore and Smalley will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies act 2006 relating to small companies.

Approved by order of the board of trustees on 21 May 2021. and signed on its behalf by :



.....
J Byrnes – Trustee

HORSES AND PONIES PROTECTION ASSOCIATION

STATEMENT OF TRUSTEE RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees (who are also the directors of Horses and Ponies Protection Association for the purposes of company law) are responsible for preparing the Report of the Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- Select suitable accounting policies and then apply them consistently ;
- Observe the methods and principles in the Charity SORP 2015 (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards 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 charitable company will continue in business

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 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 auditors are unaware; and
- 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 auditors are aware of that information

HORSES AND PONIES PROTECTION ASSOCIATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the financial statements of Horses and Ponies Protection Association (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cashflows and 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 Financial Reporting Standard 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 charitable company's affairs as at 31 August 2020, and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 financial statements section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

HORSES AND PONIES PROTECTION ASSOCIATION
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 AUGUST 2020

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' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the 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 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 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

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

HORSES AND PONIES PROTECTION ASSOCIATION
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
FOR THE YEAR ENDED 31 AUGUST 2020

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. Our audit work has been undertaken so that we might state to the 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.

Nicola Mason

Nicola Mason (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

27 May 2021

HORSES AND PONIES PROTECTION ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted general funds	Restricted funds	Total funds Year ended 31 August 2020	Total funds Year ended 31 August 2019
Income and endowments from:	Note	£	£	£	£
Donations and legacies	2	1,147,093	20,170	1,167,263	733,568
Charitable activities	3	11,995	-	11,995	11,611
Other trading activities	4	129,658	-	129,658	203,912
Investments	5	28,379	-	28,379	31,085
Other income	6	90,028	-	90,028	15,742
Total income		1,407,153	20,170	1,427,323	995,918
Expenditure on:					
Raising funds	7	213,732	-	213,732	280,557
Charitable activities					
Equine welfare	8	962,238	20,170	982,408	999,977
Total expenditure		1,175,970	-	1,196,140	1,280,534
Net surplus/(deficit) before movement on investments		231,183	-	231,183	(284,616)
Net gains/(losses) on investments		(36,404)	-	(36,404)	6,167
Net income/(expenditure)		194,779	-	194,779	(278,449)
Reconciliation of funds					
Total funds brought forward		3,792,182	-	3,792,182	4,070,631
Total funds carried forward		3,986,961	-	3,986,961	3,792,182

HORSES AND PONIES PROTECTION ASSOCIATION

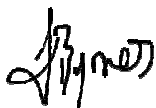
BALANCE SHEET

FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted	Restricted	Total	Total
	Note	funds £	funds £	funds 2020 £	funds 2019 £
Fixed assets					
Intangible assets	14	6,921	-	6,921	6,304
Tangible assets	15	2,305,194	-	2,305,194	2,372,515
Investments	16	1,005,622	-	1,005,622	1,090,056
		<u>3,317,737</u>	-	<u>3,317,737</u>	<u>3,468,875</u>
Current assets					
Stock		12,619	-	12,619	14,988
Debtors	17	172,132	-	172,132	41,921
Cash at bank and in hand		524,408	-	524,408	306,900
		<u>709,159</u>	-	<u>709,159</u>	<u>363,809</u>
Creditors: amounts falling due within one year					
	18	(39,935)	-	(39,935)	(40,502)
Net current assets		<u>669,224</u>	-	<u>669,224</u>	<u>323,307</u>
Total assets less current liabilities		3,986,961	-	3,986,961	3,792,182
Net assets		<u>3,986,961</u>	-	<u>3,986,961</u>	<u>3,792,182</u>
Funds					
Unrestricted funds	20	3,986,961	-	3,986,961	3,792,182
		<u>3,986,961</u>	-	<u>3,986,961</u>	<u>3,792,182</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees on 21 May 2021. and were signed on its behalf by :



J Byrnes – Trustee

Company number: 04062415 (England and Wales)

HORSES AND PONIES PROTECTION ASSOCIATION
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash generated (used in)/ generated by in operating activities	21	<u>160,899</u>	<u>(138,207)</u>
Cash flows from investing activities			
Investment income		28,379	31,085
Purchase of fixed assets		(19,800)	(21,329)
Purchase of investments		(220,452)	(136,599)
Proceeds on disposal of investments		268,482	89,243
Cash (used in)/provided by investing activities		<u>56,609</u>	<u>(37,600)</u>
(Decrease)/Increase in cash and cash equivalents in the year		217,508	(175,807)
Cash and cash equivalents at the beginning of the year		306,900	482,707
Total cash and cash equivalents at the end of the year		<u>524,408</u>	<u>306,900</u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparing the financial statements

The financial statements of the charitable company 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)(effective October 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Horses and Ponies Protection Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

The financial statements are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

Preparation of the accounts on a going concern basis

The trustees are required to assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the accounts. The measures taken by the Government to combat the spread of the corona virus has resulted in the closure of Shores Hey Farm to visitors. As a result, in the year ending 31 August 2021, income from the visitors' centre, conferences and other events will be significantly lower than anticipated. At the date of approving these accounts the directors have a reasonable expectation that the charity will be able to manage the situation and that it has sufficient cash resources to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. Grant income is recognised when the charity is entitled to the funds. This include income in respect of the coronavirus job retention scheme and the retail and hospitality grant.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Support costs include central functions and have been allocated to charity cost categories on a basis consistent with the use of resource, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES – continued

Intangible assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	- 20% p.a. straight line
----------	--------------------------

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold interest in land and buildings	- 2% p.a. straight line
Stables and equipment	- 10% p.a. on reducing balance
Fixtures and fittings	- 10% -30% p.a. on reducing balance
Motor vehicles	- 25% p.a. on reducing balance

Stocks

Stocks are valued at the lower cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The company is a registered charity and to the extent that its income is applied on the specific charitable objects of the charity is exempt from taxation. Income receivable in respect of non primary purpose trade is taxable.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES – continued

Legacies

Income from legacies is recognised when the charity has sufficient evidence that a gift has been left to them, that where required, probate has been granted, the executor is satisfied the property in question will not be required to satisfy claims in the estate, that is probable that the amount will be received by the charity, and the amount to be received can be estimated with sufficient accuracy, and that any conditions attached to the legacy are either within the control of the charity or have been met.

Where a payment is received from an estate or is notified as receivable by the executors after the reporting date and before the accounts are authorised for issue but it is clear that payment had been agreed by the executor prior to the end of reporting period, then the amount concerned is treated as an adjusting event and accrued as income in accounting period if receipt is probable.

Where the charity has established entitlement to a legacy but there is uncertainty as to the amount of the payment, details of the legacy are disclosed as a contingent asset until the criteria for the income recognition are met. Where a legacy is subject to the interest of a life tenant, the legacy is not recognised as income until the death of life tenant. At the year end there are not such amounts.

If it is doubtful that the full settlement of the legacy debtor will be received, the adjustment is made to reduce the amount of the legacy debtor and legacy income rather than charging the adjustment as expenditure in the SOFA.

Governance costs

Governance costs include costs of the preparation and audit of the statutory accounts, the costs of the trustees meetings and costs of any legal advice to trustees on governance or constitutional matters.

Fixed assets

Individual fixed assets costing £500 or more are initially recorded at cost.

Investments

Fixed asset investments are included at market value at the balance sheet date.

Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the statement of the financial activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the statement of financial activities based on the market value year end.

Operating leases

Rental payable under operating leases are charged in the statement of financial activities on a straight line basis over the lease term.

Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES – continued

Critical accounting estimates and areas of judgement

Accounting 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.

Critical accounting estimated and assumptions

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

2 DONATIONS AND LEGACIES

	Unrestricted general funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Donations and subscriptions	81,278	20,170	101,448	105,362
Gift Aid donations including tax reclaim	1,975	-	1,975	7,862
Legacies and bequests	1,063,840	-	1,063,840	620,344
	<u>1,147,093</u>	<u>20,170</u>	<u>1,167,263</u>	<u>733,568</u>

Total income from donations and legacies of £733,568 in 2019 was unrestricted

3 CHARITABLE ACTIVITIES

	Unrestricted general funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Membership fees	4,447	-	4,447	5,091
Loan scheme	6,548	-	6,548	6,520
Cross agency fees	1,000	-	1,000	-
	<u>11,995</u>	<u>-</u>	<u>11,995</u>	<u>11,611</u>

Income from charitable activities for both 2020 and 2019 was unrestricted.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

4 OTHER TRADING ACTIVITIES

	Unrestricted general funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Merchandising sales	31,974	-	31,974	43,825
Visitor centre sales	97,684	-	97,684	160,087
	<u>129,658</u>	<u>-</u>	<u>129,658</u>	<u>203,912</u>

Income from other trading for both 2020 and 2019 was unrestricted.

5 INVESTMENT INCOME

	Unrestricted general funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Income from listed investments	27,783	-	27,783	30,366
Interest income	596	-	596	719
	<u>28,379</u>	<u>-</u>	<u>28,379</u>	<u>31,085</u>

Investment income for both 2020 and 2019 was unrestricted.

6 OTHER INCOME

	Unrestricted general funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Events income	99	-	99	1,244
Other income	89,929	-	89,929	14,498
	<u>90,028</u>	<u>-</u>	<u>90,028</u>	<u>15,742</u>

Other income for both 2020 and 2019 was unrestricted.

Other income includes £50,939 in respect of the coronavirus job recovery scheme and £25,000 retail and hospitality grant.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

7 RAISING FUNDS

Donations and legacies

	Unrestricted general funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Advertising costs	12,717	-	12,717	21,324
Training costs	8,792	-	8,792	8,891
Fundraising costs	2,518	-	2,518	8,260
	<u>24,027</u>	<u>-</u>	<u>24,027</u>	<u>38,475</u>

Other trading activities

Purchases	67,389	-	67,389	95,666
Staff costs	114,794	-	114,794	140,075
	<u>182,183</u>	<u>-</u>	<u>182,183</u>	<u>235,741</u>

Investment management costs

Investment management fees	7,522	-	7,522	6,341
	<u>7,522</u>	<u>-</u>	<u>7,522</u>	<u>6,341</u>

Total raising funds

	<u>213,732</u>	<u>-</u>	<u>213,732</u>	<u>280,557</u>
--	----------------	----------	----------------	----------------

Costs of raising funds related to unrestricted funds in the current and previous year.

8 CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 8) £	Support costs (See note 9) £	Totals £
Equine Welfare	<u>954,474</u>	<u>27,934</u>	<u>982,408</u>

The cost of charitable activities related to unrestricted funds in the current and previous year.

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

9 DIRECT COSTS OF CHARITABLE ACTIVITIES

	Unrestricted general funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Staff costs	576,808	-	576,808	554,998
Establishment costs including insurance	61,694	-	61,694	54,876
Repairs, Maintenance and replacement	75,790	20,170	95,960	95,123
Office expenses	3,537	-	3,537	3,336
Printing, posting, stationery and newsletters	11,544	-	11,544	17,484
Animal feedstuff, veterinary fees and miscellaneous costs	87,976	-	87,976	109,374
Motor expenses	23,476	-	23,476	29,918
Legal and professional fees	6,975	-	6,975	7,627
Loss on disposal of assets	136	-	136	9,526
Depreciation	86,368	-	86,368	89,884
	954,474	20,170	954,474	972,146

10 SUPPORT COSTS

	Management £	Governance costs £	Totals £
Equine welfare	15,115	12,819	27,934

Support costs, included in the above, are as follows:

	Unrestricted general funds £	Restricted funds £	Total funds 2020 £	Total funds 2019 £
Wages	9,757	-	9,757	9,530
Social security	747	-	747	728
Accountancy and payroll fees	5,622	-	5,622	5,935
Bank charges	4,611	-	4,611	4,916
Auditors' remuneration	6,319	-	6,319	5,846
Trustee indemnity insurance	878	-	878	876
	27,934	-	27,934	27,831

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

11 NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting) :

	2020 £	2019 £
Auditors' remuneration	6,319	5,846
Depreciation and amortisation – owned assets	86,504	89,884
Operating lease rentals	1,452	1,936
Loss on disposal of fixed assets	-	12,525
	<u> </u>	<u> </u>

12 TRUSTEES' REMUNERATION AND BENEFITS

Trustees' expenses

No trustees received nor waived any remuneration during the year and no trustees had any expenses reimbursed during the current and prior year.

Trustees indemnity insurance amounted to £878 (2019 : £876). Donations of £60 were received from trustees in the year.

13 STAFF COSTS

	2020 £	2019 £
Wages and salaries	652,231	656,395
Social security costs	39,260	39,915
Other pension costs	10,615	9,021
	<u> </u>	<u> </u>
	702,106	705,331
	<u> </u>	<u> </u>

No employees received emoluments in excess of £60,000

Remuneration of Key Management Personnel which relates to the Chief Executive Officer was £53,162 (2019: £51,637).

The number of employees during the year was:

	2020	2019
Administration	10	8
Animal welfare	28	27
Visitor centre	9	10
	<u> </u>	<u> </u>
	48	45
	<u> </u>	<u> </u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

14 INTANGIBLE FIXED ASSETS

	Computer Software £	Total £
Cost or valuation		
At 1 September 2019	10,506	10,506
Additions	3,398	3,398
Disposals	-	-
At 31 August 2020	13,904	13,904
Depreciation		
At 1 September 2019	4,202	4,202
Charge in the year	2,781	2,781
Eliminated on disposal	-	-
At 31 August 2020	6,983	6,983
Net book value		
At 31 August 2020	6,921	6,921
At 1 September 2019	6,304	6,304

15 TANGIBLE FIXED ASSETS

	Freehold premises £	Stables and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	2,469,288	457,163	138,045	113,655	3,178,151
Additions	8,100	6,658	1,644	-	16,402
Disposals	-	-	-	-	-
At 31 August 2020	2,477,388	463,821	139,689	113,655	3,194,553
Depreciation					
At 1 September 2019	405,688	263,347	51,765	84,836	805,636
Charge in the year	47,229	20,170	9,121	7,203	83,723
Eliminated on disposal	-	-	-	-	-
At 31 August 2020	452,917	283,517	60,886	92,039	889,359
Net book value					
At 31 August 2020	2,024,471	180,304	78,803	21,616	2,305,194
At 1 September 2019	2,063,600	193,816	86,280	28,819	2,372,515

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

16 FIXED ASSET INVESTMENTS

	£
At 1 September 2019	1,090,056
Additions	220,452
Disposals	(268,482)
Revaluations	(36,404)
At August 2020	<u>1,005,622</u>

Listed investments

Investments having a market value of £1,005,622 (2019 - £1,090,056) are listed on a recognised stock exchange.

17 DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	158,748	27,280
Prepayments and accrued income	13,384	14,641
	<u>172,132</u>	<u>41,921</u>

18 CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	12,973	9,799
Taxation and social security	9,331	14,655
Other creditors	17,631	16,048
	<u>39,935</u>	<u>40,502</u>

19 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid:

	2020 £	2019 £
Within one year	-	1,452
Between one and five years	-	-
	<u>-</u>	<u>1,452</u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

20 MOVEMENT IN FUNDS

	At 1 September	Incoming	Outgoing	Transfers and	At 31 August
	2019	resources	resources	other gains	2020
	£	£	£	£	£
Unrestricted funds					
General funds	1,413,363	1,407,153	(1,089,466)	(56,204)	1,674,846
Fixed asset funds	2,378,819	-	(86,504)	19,800	2,312,115
Restricted funds					
Donations	-	20,170	(20,170)	-	-
Total funds	<u>3,792,182</u>	<u>1,427,323</u>	<u>(1,196,140)</u>	<u>(36,404)</u>	<u>3,986,961</u>

	At 1 September	Incoming	Outgoing	Transfers and	At 31 August
	2018	resources	resources	other gains	2019
	£	£	£	£	£
Unrestricted funds					
General funds	1,610,731	995,918	(1,181,124)	(12,162)	1,413,363
Fixed asset funds	2,459,900	-	(99,410)	18,329	2,378,819
Total funds	<u>4,070,631</u>	<u>995,918</u>	<u>(1,280,534)</u>	<u>6,167</u>	<u>3,792,182</u>

21 RECONCILIATION OF NET MOVEMENT IN FUNDS TO CASH FLOW FROM OPERATING ACTIVITIES

	Total funds 2020 £	Total funds 2019 £
Net movement in funds	194,779	(278,449)
Depreciation and amortisation	86,504	89,884
Loss/(Surplus) on disposal	-	12,525
Dividend income shown in investing activities	(28,379)	(31,085)
Decrease/(increase in stock)	2,369	15,897
Decrease/(increase in debtors)	(130,211)	52,085
Increase/(decrease in creditors)	(567)	7,103
Gains/(losses) on investment assets	36,404	(6,167)
Net cash generated by/(used) in operating activities	<u>160,899</u>	<u>(138,207)</u>

HORSES AND PONIES PROTECTION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

22 PENSION COMMITMENTS

The charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the charity to the scheme and amounted £10,615 (2019: £9,021).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

23 RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 August 2020 except those as disclosed in note 12 to the accounts.

Controlling entity

The charity is under the control of the trustees

24 CONTINGENT ASSETS

The Charity uses a service which gives notification that it is included in a will. The Charity tracks any legacies that it is notified of but does not recognise them in the accounts until they are entitled to them, receipt is probable and a value can be attributed to them. As such the Charity has contingent assets that it cannot currently quantify.

25 MEMBERS' LIABILITY

The Charity is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

26 POST BALANCE SHEET EVENT

Further to the preparation of the financial accounts and the detrimental effects of enforced covid-19 lockdowns, a relaxation of government restrictions has positively impacted the charity by enabling the re-opening of the stables, café, shop and all associated facilities to visitors with little or no social distancing and hygiene restrictions in June 2021. This will result in the return of onsite fundraising and trading activities, an integral source of income for the charity.