WELSH PONY AND COB SOCIETY

England & Wales · Charity number 222014

Details

Status	Registered
Legal form	Charitable company
Company number	01017832
Registered	1964-04-27
Register	View on the Charity Commission register

Contact

Address	Welsh Pony & Cob Society Bronaeron Felinfach Lampeter SA48 8AG
Phone	01570471754
Email	enquiries@wpcs.uk.com
Website	www.wpcs.uk.com

Activities

Objects: (I) TO ENCOURAGE THE BREEDING AND IMPROVEMENT OF HORSES AND PONIES MORE ESPECIALLY THOSE OF THE WELSH BREEDS.(II) TO ADVANCE PUBLIC EDUCATION IN ALL DISTRICTS AND COUNTIES IN THE VARIOUS ARTS AND SCIENCES CONNECTED WITH THE USE AND MANAGEMENT OF HORSES AND PONIES IN GENERAL AND IN PARTICULAR OF THE WELSH MOUNTAIN PONY, THE WELSH PONY, THE WELSH PONY (COB TYPE) AND THE WELSH COB AND THEIR PART-BREDS (HEREINAFTER REFERRED TO AS “THE WELSH BREEDS”).(III) TO PROVIDE OR ASSIST IN THE PROVISION FOR THE PUBLIC BENEFIT, OF FACILITIES FOR RECREATION OR OTHER LEISURE TIME OCCUPATION, THROUGH THE USE OF HORSES AND PONIES, BUT CONFINED TO FACILITIES PROVIDED IN THE INTERESTS OF SOCIAL WELFARE WITHIN THE MEANING AND SO AS TO SATISFY THE REQUIREMENTS OF THE RECREATIONAL CHARITIES ACT 1958.(IV) TO PREVENT CRUELTY TO AND PROMOTE THE WELFARE OF HORSES AND PONIES.

Activities: The preservation and promotion of Welsh Ponies and Cobs, including Education and Welfare

Downloaded from opencharities.uk/ew/222014

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Acts As An Umbrella Or Resource Body, Other Charitable Activities
- **What:** Education/training, Amateur Sport, Animals, Environment/conservation/heritage, Recreation
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies, Other Defined Groups, The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£641,603	£572,515	£2,602,655	9
2023-12-31	£622,295	£683,881	£2,419,136	11
2022-12-31	£630,783	£708,756	£2,405,626	12
2021-12-31	£640,673	£618,957	£2,712,282	10
2020-12-31	£592,607	£511,501	£2,488,496	8

Downloaded from opencharities.uk/ew/222014

Trustees

Name	Role	Appointed
Edward Paul James Gummery	Chair	2021-12-11
Ceri Fell		2024-04-06
David Martin Waters		2021-12-11
Edwin George Prosser		2023-04-08
Geraint Wyn Thomas		2024-04-06
Janice Ventia Parry		2023-04-08
Janine Susan Hadley		2025-04-05
John Thomas Kirk		2024-04-06
Margaretta Ann Bigley Mrs		2023-11-01
Mervyn John Davies		2023-04-08
Peter Thomas Rutherford		2024-04-06
Philip James Lloyd Lewis		2024-04-06
Richard James Pittman		2024-04-06
Rose Madeleine Jennings		2026-03-28
Tracy Hook		2023-11-01

Downloaded from opencharities.uk/ew/222014

WELSH PONY AND COB SOCIETY

England & Wales - Charity number 222014

Accounts

Charity registration number 222014

Company registration number 1017832 (England and Wales)

THE WELSH PONY AND COB SOCIETY

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

THE WELSH PONY AND COB SOCIETY

CONTENTS

	Page
Trustees report	1 - 8
Independent examiner's report	9
Statement of financial activities	10
Balance sheet	11 - 12
Statement of cash flows	13
Notes to the financial statements	14 - 33

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

The trustees present their annual report and financial statements for the year ended 31 December 2024.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 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 2019)".

Objectives and activities

The objectives of the Society are to encourage the breeding, improvement and integrity of the Welsh Breeds of horses and ponies; advance public education of management of the Welsh Breeds; to prevent cruelty to horses and ponies; to provide and assist in provision for public benefit, facilities for recreation and other leisure time through use of horses but confined to facilities provided in the interests of social welfare. In order to further these aims the Society undertakes a number of core activities.

The Society is obliged to compile and publish stud books of registered pure and part-bred Welsh Ponies and Cobs, which is done on a regular basis. In recent years, this has been combined with its role as a Passport Issuing Organisation (PIO) and registration of equines is through its comprehensive registration processes.

Information and assistance are provided to members and non-members in person, via telephone, email, and the website. In addition, members receive an annual Journal and two newsletters per year. The Society also publishes literature on the Welsh Breed and provides a website that is accessible to members and non-members with an active Facebook page.

The Society has a programme of grants to provide direct financial assistance to members of other voluntary groups working with similar objectives. It also administers a bursary scheme for young individuals pursuing qualifications within the equine world. The awards are formally reviewed annually by Council to ensure that it continues to meet those needs.

The Society also has an equine welfare advice and guidance scheme in place.

The aims of the charity are detailed below:

- To encourage the breeding and improvement of horses and ponies more especially those of the Welsh Breeds.
- To advance public education in all districts and counties in the various arts and sciences connected with the use and management of horses and ponies in general and in particular of the Welsh Mountain Pony, the Welsh Pony, the Welsh Pony (Cob Type) and the Welsh Cob and their Part-breds.
- To provide or assist in the provision for the public benefit, of facilities for recreation or other leisure time occupation, through the use of horses and ponies, but confined to facilities provided in the interests of social welfare.
- To prevent cruelty to and promote the welfare of horses and ponies.

The charity's strategies for achieving its stated aims and objectives is to:

- Ensure workforce development and structured line management is in place.
- Ensure trustees undergo regular appraisals and development plans are put in place.
- Ensure work-plans for Council and Standing Committees are in place.

The charity measures its success in the reporting period using a number of assessments such as:

- Ensuring that the officer reports to Council and the Standing Committees on a regular basis.
- Reports from working groups and delegates are produced and reviewed.
- Quality assurance techniques of random sampling and benchmarking.
- Comparing evidence-based achievements against work plans.
- Consultations with trustees, staff, volunteers and members.
- Logging, analysis and reporting of comments and feedback.

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'when reviewing our aims and objectives and in planning our future activities. Trustees were provided with copies of the revised publications relating to public benefit. Trustees consider how planned activities will contribute to the aims and objectives they have set.

Public benefits applicable to the charity's activities include:

- the advancement of education through the provision of Educational Visits to colleges.
- the award of educational bursaries and the production of information and publications on the Welsh breeds.
- the advancement of the arts, culture, heritage or science through the preservation and promotion of the semi-feral hill ponies and the Welsh breeds in general, these being an important part of the heritage of Wales.
- the advancement of amateur sport through the establishment of medal and rosette schemes, support of young handler competitions, performance shows and awards, the provision of judges panels, and young judges' competitions.
- the advancement of environmental protection or improvement through the support provided by the premium grant schemes awarded to semi-feral hill ponies who are essential for the conservation of the natural habitat of Wales.
- the advancement of animal welfare through the publication of a code of welfare, a guide to purchasing and caring for Welsh Ponies and Cobs, a care and management booklet and other publications that provide welfare guidelines and advice.

The significant activities undertaken by the charity which contribute to its stated aims and objectives are:

Education and Welfare – fostering and encouraging the acquisition of knowledge and dissemination of best practise regarding the management and welfare of ponies, cobs, part-bred and equine in general; publicising and communicating the education and welfare by all means possible.

Members Services – The development and growth of membership to the Society, maintaining the integrity of the Welsh Stud Book and Overseas Register. Production of an annual Stud Book and supervision of Young People's Committee activities. Organising and appointing Young Ambassador Elect and Young Achiever on an annual basis.

Promotions – raising the profile of equines and ensuring that legislators and regulators are aware of what the Society is thinking, providing a media approach in relation to equine across all media outlets, and informing the public as to what the Society is developing.

Judging and showing – judges' assessment and conferences, ensuring judges uphold the integrity and good standing of the Society and exploring their continuing professional development, providing a clear written rule book each year.

The Society is both dependent on and appreciative of the work of so many volunteers who give freely of their time to advance the interests of Welsh breeds. Trustees are aware that voluntary work is not always appreciated and would like to thank members up and down the country who have generously given their time on behalf of the Society.

Achievements and performance

Council meetings were once more held in person at Bronaeron with an option for trustees to join online to reduce travel costs and to facilitate the possibility of convening meetings at short notice if required. Committee meetings mirrored this.

A highly successful Awards night was held at Stoneleigh Park in 2024 with a new structure in place. The President's dinner, held in Venue Cymru, Llandudno was an entertaining and successful evening with auction proceeds going to Auditory Verbal and Wales Air Ambulance charities.

The original hard work of the Sales committee and staff has meant the Official sale at Builth Wells continues to attract quality of animals attracting prices to match. 2024 seeing the event take place over three days with the first day being mainly for performance animals. The Society will continue to support the Auctioneers to ensure the future of sales for our membership. The huge success of the sales also contributes greatly to the Society in many ways from income to the promotion of the breed. The use of the online entries to streamline the checking process still proves a huge benefit and has improved accuracy of entries.

The continuous improvement of the Society's administration is ongoing, as evidenced in cost reductions in administrative and backroom areas, and in compliance with the Minimum Operating Standards for UK Passport Issuing Offices and to produce passports within 15 working days, and to transfer passports within 10 working days.

Every registration form which did not have errors or queries regarding ownership, etc was processed before the end of the year, and the Society would like to commend its membership for their efforts in rectifying the problem. However, the policy of returning incorrect or incomplete forms has paid off. 17.9% of all forms received were returned to the breeder at least once – some more than one time, which is a 6.2% reduction of 2023 and we hope to continue to reduce this figure with your help in 2025.

Another stud book was produced in 2024, volume 105, which brings the Society up to date; volume 106 will be ready for mid-2025. Resources have been allocated to address issues concerning Education and Welfare for members and non-members, and to include in particular the younger people. In order to reach a wider audience using social media, the Society has been very proactive in its rate of postings. It currently has over 56,000 followers on Facebook. The society is looking to expand their social presence through alternative media platforms such as Instagram and Tiktok.

Council have continued with the International Committee meetings as online meetings twice a year for inclusivity and accessibility for all daughter societies around the world, mindful of time differences and the cost and environmental impact of travel. It was very pleasing to see such a good attendance in throughout 2024. An international gathering held at the Royal Welsh show was also well supported and it is hoped this continues throughout 2025 and beyond.

The Society continues to work with the Hill Pony Improvement Societies alongside holding the stallion premiums and semi feral foal inspections annually. This was identified as an area for promotion to raise the profile of the hill ponies within the breed. This provides invaluable genetic information for the Welsh Breed and will be an asset for future generations to reference.

The Society has reviewed the Judging & Showing Handbook and has amended the medal procedure and how these are distributed, which come into effect for show season 2025.The Judging and Showing Handbook works to ensure the preservation and improvement of judging and competitor standards.

The services provided by the Society are not restricted and are widely available to the public, without discrimination.

The Society has a policy of investing in UK fixed interest and UK equities. The portfolio managers, Investec, actively manage the funds on our behalf, buying and selling the portfolio as necessary, and to follow instructions provided by the council in line with their investment policy.

Investments
Investments are valued at mid-market prices and are split as follows:

	2024 Fair Value £	**2024 Cost £**	2023 Fair Value £	2023 Cost £
Fixed Interest	544,080	576,421	525,433	469,283
Equities	1,643,939	1,287,808	1,560,907	1,367,476
Cash held in portfolio	9,486	9,486	10,422	10,422

Financial review

Results

	2024 Unrestricted £	**2024 Restricted £**	**2024 Total £**	2023 Unrestricted £	2023 Restricted £	2023 Total £
Income	628,533	13,070	641,603	617,388	4,907	622,295
Expenditure	(563,929)	(8,586)	(572,515)	(675,863)	(8,018)	(683,881)
Operating results	**64,604**	**4,484**	**69,088**	(58,475)	(3,111)	(61,586)
Investment movements	114,431	-	114,431	75,096	-	75,096
Transfers between funds	417	(417)	-	-	-	-
Net movement	**179,452**	**4,067**	**183,519**	16,621	(3,111)	13,510

The Society is keeping a close watch on both income and expenditure going forward. The Society is seeking to increase its income from membership, from the passport issuing office and from promotional and trading goods whilst exploring other income streams. Online payment of memberships continue to be popular with members.

This reserves policy seeks to address the charity's future needs in relation to its reserves and to satisfy Charity Commission requirements for charities to adopt comprehensive reserves policies. The Council has established a financial planning process whereby when agreeing the annual operational budget during the autumn of the preceding year, and with the aim of balancing the operational budget, larger capital or revenue items will be funded out of its reserves. As of the end of December 2024 the free reserves stand at £2,169,696 (2023: £1,962,896). The total designated funds at 31 December 2024 stand at £405,462 (2023: £432,810) see the notes to the financial statements for detailed analysis.

The Council has examined the charity's requirements for reserves in light of the main risks to the organisation and the cost of projected future projects. The main risks are identified as external events beyond the Society's influence, including the decision of the UK to leave the European Union. Future projects will include a new website, museum/ museum hub(s), promotional virtual reality experiences, upgrade of a payment collection service and upgrades including telephone systems and interactive voice response (IVR), development of Society merchandise, DNA development and development of EquiCymru.

The Council recognises that it should not be retaining income funds that should be paid out in the fulfilment of its charitable objectives. The Council undertakes to:

- Review the reserves position annually.
- Review the investments position annually.
- Forecast its income and the reliability of each income source.
- Forecast its expenditure on the basis of planned activities and their associated costs.
- Consider future needs and opportunities, for example expansion possibilities.
- Consider various scenarios, for example, what if there was a change in government policy affecting their area of operations.

The Society's principal funding sources are derived from income through membership subscriptions, grants and sponsorships and they receive regular monthly income from registration and associated business. The Society has invested amounts with its investment portfolio managers whilst retaining a prudent amount in the bank deposits. Trustees continue to invest in fixed interest/short term deposits and medium to low risk investments and are advised by duly appointed investment portfolio managers.

The trustees have identified the following significant risks affecting the Society:

- Loss of passport issuing office (PIO) status leading to decreased income - the charity ensures it keeps abreast of all proposed changes by attending meetings with Welsh Government and the ESA 826 group, and by actively engaging with and updating the Central Equine Database.
- Sudden collapse in the equine leisure market (as a result of an outbreak of foot and mouth or an Exotic Equine Disease) – this is a risk the charity cannot mitigate against, however, the charity is developing an action plan to implement should such an event happen.
- Severe economic downturn leading to loss of income – the charity monitors cash flow and expenditure against budgets on a monthly basis to ensure unnecessary costs are not incurred.
- The knock on effect and repercussions following the UK's exit from the European Union – the Society is maintaining contact with the Welsh and UK governments and communicating with key stakeholders.
- The huge impact of inflation and the cost of living on members and the real threat that their equine interests will have to be curtailed obviously affecting the income streams of the Society.

To mitigate against the above risks and other risks facing the charity the trustees conduct regular reviews of the major risks to which the charity is exposed, listing these in a Risk Register. Systems and procedures have been established to mitigate the risks that the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities and associated budgets. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety requirements relating to staff, trustees, volunteers and visitors to the Society's premises.

The Society continually reviews the procedures to ensure that they continue to meet the needs of the charity.

Plans for future periods

There are key areas of development and investment planned over the next year. The Society's business plan for 2025-2026 includes continued promotion and education on the Welsh breeds and the care and management of the horses and ponies. This is expected to be undertaken through attending specific targeted events on a national basis and distributing information and guidance, improved links with the Area Associations, promoting online to members and non-members, and moving the society into a "Modern" world by promoting the business through new avenues such as virtual reality is something to explore to attract a new audience and generation.

The Society will continue to develop the provision in the Welsh language.

The internet continues to be an excellent avenue for communication. The Facebook followers has increased from 56,191 in 2023 to 56,938 in 2024. The society has looked to enhance their online exposure through other social media platforms such as Tiktok and Instagram throughout 2025, using specialist content to help reach and appeal to the required audience.

Structure, governance and management

The Welsh Pony and Cob Society (the Society) is a registered charity under the Charities Act 2011 (Number 222014) and a company limited by guarantee (Number 1017832). The Society is governed by its Memorandum and Articles of Association which were initially adopted on the 15 July 1971, at which date the assets and liabilities of the unincorporated Society were acquired. The Articles of Association were subsequently amended and adopted on 1 March 2008 and updated following the EGM in September 2009 followed by a further update at the AGM of 1st APRIL 2017. The last changes to the Society's Articles and Memorandum were adopted at the AGM of 11th of December 2021.

The Council, who are the Trustees of the charity and Directors of the company, are elected from the membership of the Society at the Annual General Meeting. Council members are elected for a term of 3 years and a third of Council members normally retire each year, creating vacancies to be filled. They may, however, be re-elected for a further three-year period before being required to stand down for a term. The notice calling for nominations is required to be sent to members a minimum of 8 weeks before the AGM. All members of the Society have the right to nominate candidates and vote. The administration and counting of returned postal ballots is conducted by independent scrutineers. The President and President–Elect are also nominated and elected by the members and accepted at the Annual General Meeting. The Chair, Vice-Chair of Council and Chair of Finance and Human Resources are elected by Council members at the first meeting following the AGM each year.

The Society's structure is that of being governed by a maximum Council of 15 members, responsible for setting the strategic direction of the organisation and the policy of the charity. Council carries the ultimate responsibility for the conduct of the Society and for ensuring that the charity satisfies its legal and contractual obligations. The Council is bound by its Memorandum and Articles of Association to meet at least twice a year. Various sub committees also meet regularly to consider the more urgent issues that arise during the year, but all decisions are ratified by the Council unless prior approval of remit and budget are given. The Council delegates the day-to-day operation of the organisation to senior management. A register of Council Members' interests is maintained at the registered office and is available to the public for review.

New Council members are provided with an introduction to the Society and their role within its governance through an induction day and a visit to the Society's office. Printed and electronic materials are made available to them at the induction and following on from that on a regular basis either by email or at Council meetings. Further information and training is provided on an on-going basis through email, at Council meetings and other externally facilitated events.

The trustees consider that the board of directors, who are also the Society's trustees and the senior management team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Society on a day-to-day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses, key management personnel and related party transactions are disclosed in the notes to the accounts.

The pay of the staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other charities of a similar size and operating in the same sector. The remuneration is bench-marked using market data which is readily available. This is actioned as long as the charity's business plan allows for the additional expenditure.

The Society is the sole shareholder of WPCS Trading Limited, a company limited by guarantee. This company ceased trading on the 30 September 2005 and is dormant.

The Society also co-operates and liaises with a number of other organisations to achieve its objectives on a broader level. It is closely associated with the Hill Pony Improvement Societies. It co-operates and collaborates with other equine and welfare related organisations, including other native breed societies through DEFRA, the Welsh Government, the National Pony Society, BHS, ILPH, the National Equine Welfare Council, HBLB, Trading Standards, World Horse Welfare, RSPCA, JMB, 826 ESA group, NASTA, and DNA Consultants.

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2024

Reference and administrative details

Charity name	The Welsh Pony and Cob Society
Charity number	222014
Company number	1017832
Registered office	Bronaeron Felinfach Lampeter Ceredigion SA48 8AG
Key management personnel	Ms G Bassett-Burr
Trustees	Mr D T C Evans - resigned 1 May 2024 Mr E P J Gummery Ms A J Kember Mr D O Roberts - resigned 6 April 2024 Mr D M Waters Mrs J V Parry Mr E G Prosser Mr M J Davies Mrs M A Bigley Mrs T Hook Mr R J Pittman - appointed 6 April 2024 Mr J T Kirk - appointed 6 April 2024 Mrs C Fell - appointed 6 April 2024 Mr P T Rutherford - appointed 6 April 2024 Mr G W Thomas - appointed 6 April 2024 Mr P J Lewis - appointed 6 April 2024
Secretary	Ms G Bassett-Burr
President	Mr D L I Evans - to 6 April 2024 Mrs J P Price - from 6 April 2024
President Elect	Mrs J P Price - to 6 April 2024 Miss S Hardy - from 6 April 2024
Chair of Council	Mr E P J Gummery
Vice Chair of Council	Mrs M A Bigley
Directors of subsidiary company	Miss S Hardy Mr C Thomas

Independent examiners	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB
Legal Advisers	Geldards 4 Capital Quarter Tyndall Street Cardiff CF10 4BZ
Investment providers	Investec Wealth and Investment Ltd 30 Gresham Street London EC2V 7QN
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP

The trustees report was approved by the Board of Trustees.



Mr E P J Gummery

Dated: 25 March 2025

THE WELSH PONY AND COB SOCIETY

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE WELSH PONY AND COB SOCIETY

I report to the trustees on my examination of the financial statements of The Welsh Pony and Cob Society (the charity) for the year ended 31 December 2024.

Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or

2 the financial statements do not accord with those records; or

3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or

4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Andrew Howells
Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
South Glamorgan
CF23 8AB
United Kingdom

Dated: 25 March 2025

THE WELSH PONY AND COB SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Income from:							
Donations and legacies	3	32,207	54	32,261	17,627	-	17,627
Charitable activities	4	545,583	-	545,583	545,997	-	545,997
Other trading activities	5	1,718	13,008	14,726	7,459	4,907	12,366
Investments	6	49,025	8	49,033	46,305	-	46,305
Total income		628,533	13,070	641,603	617,388	4,907	622,295
Expenditure on:							
Raising funds	7	5,653	8,586	14,239	7,729	8,018	15,747
Charitable activities	8	558,276	-	558,276	668,134	-	668,134
Total expenditure		563,929	8,586	572,515	675,863	8,018	683,881
Net gains/(losses) on investments	13	114,431	-	114,431	75,096	-	75,096
Net incoming resources before transfers		179,035	4,484	183,519	16,621	(3,111)	13,510
Gross transfers between funds		417	(417)	-	-	-	-
Net movement in funds		179,452	4,067	183,519	16,621	(3,111)	13,510
Fund balances at 1 January 2024		2,395,706	23,430	2,419,136	2,379,085	26,541	2,405,626
Fund balances at 31 December 2024		2,575,158	27,497	2,602,655	2,395,706	23,430	2,419,136

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE WELSH PONY AND COB SOCIETY

BALANCE SHEET

AS AT 31 DECEMBER 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Intangible assets	**16**		522		3,212
Tangible assets	**15**		343,440		358,062
Investments	**17**		2,197,507		2,096,764
			2,541,469		2,458,038
Current assets					
Stocks	**18**	33,538		30,102	
Debtors	**19**	38,649		19,031	
Cash at bank and in hand		144,563		90,159	
		216,750		139,292	
Creditors: amounts falling due within one year	**20**	(61,781)		(87,424)	
Net current assets			154,969		51,868
Total assets less current liabilities			2,696,438		2,509,906
Creditors: amounts falling due after more than one year	**21**		(93,783)		(90,770)
Net assets			2,602,655		2,419,136
Income funds					
Restricted funds	**25**		27,497		23,430
Unrestricted funds					
Designated funds	**24**	405,462		432,810	
General unrestricted funds		2,169,696		1,962,896	
			2,575,158		2,395,706
			2,602,655		2,419,136

THE WELSH PONY AND COB SOCIETY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2024

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2024.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 25 March 2025



Mr E P J Gummery
Trustee

Company registration number 1017832

THE WELSH PONY AND COB SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities					
Cash absorbed by operations	**30**		(8,109)		(97,880)
Investing activities					
Purchase of tangible fixed assets		(208)		-	
Purchase of investments		(529,576)		(274,332)	
Proceeds from disposal of investments		543,264		349,088	
Investment income received		49,033		46,305	
Net cash generated from investing activities			62,513		121,061
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			54,404		23,181
Cash and cash equivalents at beginning of year			90,159		66,978
Cash and cash equivalents at end of year			144,563		90,159

1 Accounting policies

Charity information

The Welsh Pony and Cob Society is a private company limited by guarantee incorporated in England and Wales. The registered office is Bronaeron, Felinfach, Lampeter, Ceredigion, SA48 8AG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 2019)". 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 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

General funds are unrestricted funds which are available for use at the discretion of the board in furtherance of the general objectives of the society and which have not been designated for other purposes.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the society for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

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, but not recognised.

Dividends income is recognised on the date the charity's right to receive payment is established.

Trading income is recognised in the period to which the income is generated.

1 Accounting policies **(Continued)**

Income from charitable activities (excluding grants) is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

Grants are only included in the SoFA when the general income recognition criteria are met.

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services, as entitlement to the grant only occurs when the performance related conditions are met. Grants receivable are treated in different ways dependent upon their purposes and the terms of the grant.

Grants receivable for specific purposes are also treated as restricted funds so that any unused funds can be separately identified.

Grants receivable to facilitate the general running of the charity are treated as unrestricted funds.

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

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

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

Costs of raising funds comprise the costs in relation to generating income such as fundraising activities.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs. The basis for calculating the allocation of support costs was as a percentage of total staff costs attributed to each department.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

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.

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 Accounting policies **(Continued)**

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% and 5% straight line
Leasehold land and buildings	Over the life of the lease
Plant and equipment	25% and 33% straight line
Motor vehicles	20% 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.

Individual fixed assets costing £250 or more are capitalised at cost.

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.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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).

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.

The complete set of stud books used for library and reference purposes are not valued and are excluded from the Balance Sheet.

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 Accounting policies **(Continued)**

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

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.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies **(Continued)**

1.15 Reserve for future costs of life members

Life Members' subscriptions received in the period are included in income and transferred to deferred income.

The deferred income is adjusted at each accounting date for a regular amount transferred back to income dependent on the age banding of the life member.

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.

Key sources of estimation uncertainty

Life members deferred income

The charity provides life membership to members of varying ages, this requires an estimation regarding the number of years in which the income is released in the financial statements.

The income is released in the financial statements as follows:

Under 21's - over 50 years
21-40's - over 40 years
Over 40 - over 30 years
Over 60 - over 20 years

As at 31st December 2024 the amounts of income deferred totalled £100,848 (2023: £97,889), split between creditors due within one year £7,065 (2023: £7,119) and creditors due after more than one year £93,783 (2023: £90,770).

Income released in the financial statements totalled £7,667 (2023: £6,290).

Stock

The charity holds a large amount of stock of which some items are deemed to be obsolete and/or slow moving. A stock provision is made each year which requires an estimation as to the written down value.

During the year stock increased by £3,436 (2023: decreased by £12,386).

As at 31st December 2024 the stock value contained in the financial statements totalled £33,538 (2023: £30,102).

3 Donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £
Donations and gifts	32,207	54	32,261	17,627
Donations and gifts				
Donations and sponsorship	17,245	54	17,299	4,645
Pavillion donations and income	14,962	-	14,962	12,982
	32,207	54	32,261	17,627

4 Charitable activities

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Subscriptions and life members income	144,162	131,209
Journal sales and advertising	22,537	18,437
Other membership income incl insurance	1,633	1,378
Registration and passports	222,722	225,728
Transfers and other registration income	119,796	121,547
Promotional goods	10,283	26,231
Judging, medal and rosette income	24,450	21,467
	545,583	545,997

5 Other trading activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Young people's fund	-	1,774	1,774	-	650	650
President's fundraising and dinner	-	11,234	11,234	-	4,257	4,257
Solar panel income	1,718	-	1,718	7,459	-	7,459
Other trading activities	1,718	13,008	14,726	7,459	4,907	12,366

6 Investments

	Unrestricted funds 2024	Restricted funds 2024	Total Unrestricted funds	
	£	£	2024 £	2023 £
Income from listed investments	47,612	-	47,612	45,249
Interest receivable	1,413	8	1,421	1,056
	49,025	8	49,033	46,305

7 Raising funds

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
Fundraising and publicity						
Premium awards	3,650	-	3,650	975	-	975
Donations and bursaries	2,003	-	2,003	6,754	-	6,754
Retiring president's dinner	-	7,848	7,848	-	7,711	7,711
Young people's fund	-	738	738	-	307	307
Fundraising and publicity	5,653	8,586	14,239	7,729	8,018	15,747
	5,653	8,586	14,239	7,729	8,018	15,747

8 Charitable activities

	Membership	Registration	Education & promotion	Judging & showing	Total 2024	Total 2023
	£	£	£	£	£	£
Journal costs	18,768	-	-	-	18,768	26,343
Membership costs	31,485	-	-	-	31,485	34,795
Central prefix register and stud books	-	6,020	-	-	6,020	12,698
DNA blood typing and microchips	-	32,836	-	-	32,836	29,232
Passport binding	-	479	-	-	479	810
Promotional goods and stock	-	-	1,110	-	1,110	17,286
Exhibition unit expenses	-	-	2,077	-	2,077	2,522
Publicity officers expenses and educational visits	-	-	3,800	-	3,800	19,138
Medals, rosettes and engraving	-	-	-	10,856	10,856	6,253
Judges and showing handbook	-	-	-	1,576	1,576	3,007
International show costs and expenses	-	-	-	300	300	306
	50,253	39,335	6,987	12,732	109,307	152,390
Share of support costs (see note 10)	66,440	189,310	41,155	115,232	412,137	452,624
Share of governance costs (see note 10)	5,894	16,942	3,683	10,313	36,832	63,120
	122,587	245,587	51,825	138,277	558,276	668,134

9 Description of charitable activities

Membership

The members' services department deals with subscriptions, the pavilion, the internet information and the journal.

Registration

The registration department includes the activities of registration, passports, transfers, exports, central prefixing, stud books and DNA blood typing and licenses.

Education & promotion

The education and promotions department includes the premium awards, junior club and donations, together with deals which include some promotional goods, second hand books and sponsorship.

Judging & showing

The judging & showing department includes the conference and seminar meetings, together with the attendance at shows and events, medals and rosettes.

10 Support costs

	Support costs	Governance costs	2024	Support costs	Governance costs	2023
	£	£	£	£	£	£
Staff costs	219,844	-	219,844	255,000	-	255,000
Depreciation	17,520	-	17,520	20,076	-	20,076
Other staff costs	1,592	-	1,592	760	-	760
Postage and stationery	38,299	-	38,299	39,651	-	39,651
Computer costs	24,435	-	24,435	31,236	-	31,236
Equipment rental	11,458	-	11,458	12,928	-	12,928
Repairs, renewals and sundry	32,432	-	32,432	44,683	-	44,683
Rates and utilities	14,027	-	14,027	19,516	-	19,516
Insurance	12,866	-	12,866	8,591	-	8,591
Travel and subsistence	722	-	722	773	-	773
Telephone	16,136	-	16,136	(4,113)	-	(4,113)
Bank charges, investment and other costs	22,806	-	22,806	23,523	-	23,523
Audit fees	-	-	-	-	15,930	15,930
Independent examination fees	-	7,575	7,575	-	-	-
Legal and professional fees	-	8,517	8,517	-	29,250	29,250
AGM expenses	-	9,455	9,455	-	6,818	6,818
Council expenses and training	-	11,285	11,285	-	11,122	11,122
	412,137	36,832	448,969	452,624	63,120	515,744
Analysed between						
Charitable activities	412,137	36,832	448,969	452,624	63,120	515,744

11 Trustees

No trustees received any remuneration during the current or prior year.

A total of £9,588 (2023: £8,968) was incurred in relation to travel, subsistence and accommodation expenses.

In 2024 eleven trustees A Kember - £3,756, S Charlton - £248, D Roberts - £672, E Gummery - £2,740, J Parry - £1,139, M Bigley - £214, P Rutherford - £81, T Hook - £92, G Thomas - £342, D Jones - £212, C Evans - £92 claimed expenses (2023: ten trustees A Kember, D Jones, E Hampson, R Wilson, S Charlton, D Roberts, W Jones, L Stephens, E Gummery, A Everitt claimed expenses).

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2024 Number	2023 Number
Office staff	9	11

Employment costs	**2024 £**	**2023 £**
Wages and salaries	201,275	236,494
Social security costs	12,547	11,212
Other pension costs	6,022	7,294
	219,844	255,000

Key management personnel

The key management personnel as detailed in the trustees report (page 7) received benefits (including gross salary, employers national insurance and employers pension contributions) totalling £47,069 (2023: £93,836).

Employees earning > £60k

There were no employees whose annual remuneration was £60,000 or more.

13 Net gains/(losses) on investments

	Unrestricted funds 2024 £	Unrestricted funds 2023 £
Revaluation of investments	114,431	75,096

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2024	468,805	95,614	320,859	17,500	902,778
Additions	-	-	208	-	208
At 31 December 2024	468,805	95,614	321,067	17,500	902,986
Depreciation and impairment					
At 1 January 2024	127,865	83,189	319,642	14,020	544,716
Depreciation charged in the year	10,032	2,604	1,319	875	14,830
At 31 December 2024	137,897	85,793	320,961	14,895	559,546
Carrying amount					
At 31 December 2024	330,908	9,821	106	2,605	343,440
At 31 December 2023	340,940	12,425	1,217	3,480	358,062

16 Intangible fixed assets

	Software
	£
Cost	
At 1 January 2024 and 31 December 2024	26,245
Amortisation and impairment	
At 1 January 2024	23,033
Amortisation charged for the year	2,690
At 31 December 2024	25,723
Carrying amount	
At 31 December 2024	522
At 31 December 2023	3,212

17 Fixed asset investments

	Listed investments	Cash in portfolio	Other investments	Total
	£			£
Cost or valuation				
At 1 January 2024	2,086,340	10,422	2	2,096,764
Additions	529,576	-	-	529,576
Valuation changes	114,431	-	-	114,431
Cash movement	-	(936)	-	(936)
Disposals	(542,328)	-	-	(542,328)
At 31 December 2024	2,188,019	9,486	2	2,197,507
Carrying amount				
At 31 December 2024	2,188,019	9,486	2	2,197,507
At 31 December 2023	2,086,340	10,422	2	2,096,764

Other investments comprise:	Notes	2024 £	2023 £
Investments in subsidiaries	29	2	2

18 Stocks

	2024 £	2023 £
Finished goods and goods for resale	33,538	30,102

19 Debtors

Amounts falling due within one year:	2024 £	2023 £
Trade debtors	19,260	-
Other debtors	19,389	19,031
	38,649	19,031

20 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Other taxation and social security		9,500	3,702
Deferred income	23	37,119	45,469
Trade creditors		7,312	22,323
Accruals		7,850	15,930
		61,781	87,424

21 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Deferred income	23	93,783	90,770

22 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £6,022 (2023: £7,294). The amount outstanding at the year end was £nil (2023: £nil).

23 Deferred income

	2024 £	2023 £
Arising from membership subscriptions and journal sales	130,902	136,239

Deferred income comprises journal sales and membership subscriptions which relate to the 2024 financial year.

Deferred income also includes life members' subscriptions.

Deferred income is included in the financial statements as follows:

	2024 £	2023 £
Deferred income is included within:		
Current liabilities	37,119	45,469
Non-current liabilities	93,783	90,770
	130,902	136,239

Movements in the year:

23 Deferred income (Continued)

Deferred income at 1 January 2024	136,239
Released from previous periods	(32,173)
Resources deferred in the year	26,836
Deferred income at 31 December 2024	130,902

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2023	Resources expended	Balance at 1 January 2024	Resources expended	Transfers	Balance at 31 December 2024
	£	£	£	£	£	£
Educational bursary	2,000	(466)	1,534	-	(34)	1,500
IT development	20,000	-	20,000	-	(10,000)	10,000
Legal costs	30,000	-	30,000	-	(20,000)	10,000
Capital expenditure	15,000	-	15,000	-	-	15,000
Training	5,000	-	5,000	-	-	5,000
Fixed asset fund	381,350	(20,074)	361,276	(17,522)	208	343,962
Social media content and marketing	-	-	-	-	20,000	20,000
	453,350	(20,540)	432,810	(17,522)	(9,826)	405,462

Educational bursary
Relates to monies designated to provide educational bursaries. The remaining balance will be expended in future periods.

IT development
Relates to future costs regarding the redesign and update of the charity's new IT system.

Legal costs
Relates to future costs regarding ongoing legal advice.

Capital expenditure
Relates to future capital costs to be incurred towards work at Bronaeron site.

Training
Relates to future costs regarding training, the remaining balance will be expended in future periods.

Fixed asset fund
This represents the net book value of the charity's fixed and intangible assets.

Social media content and marketing
Relates to future costs regarding social media content and marketing.

25 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds				Movement in funds			
	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 1 January 2024	Incoming resources	Resources expended	Transfers	Balance at 31 December 2024
	£	£	£	£	£	£	£	£
Miss Broderick Memorial Fund	932	-	-	932	8	-	(417)	523
Young People's Account Fund	12,265	650	(307)	12,608	1,828	(738)	-	13,698
Presidents Fund	7,395	4,257	(7,711)	3,941	11,234	(7,848)	-	7,327
International show	5,949	-	-	5,949	-	-	-	5,949
	26,541	4,907	(8,018)	23,430	13,070	(8,586)	(417)	27,497

Miss Broderick Memorial Fund
A fund set up in memory of Miss Broderick in order to cover costs of providing a replica trophy and engraving costs for the Miss Broderick Memorial Prize.

Young People's Account Fund
Money kept in reserve arising from the young people's fundraising activities, and which is to be used for their purposes as instructed.

President's Fund
The President's fundraising income is being held in a restricted reserve with any income in excess of expenditure being donated to charity during the 2025 financial year.

International show
Money kept in reserve to cover a potential donation to the International Show 2025 and the funding of the international rosettes for 2025.

26 Analysis of net assets between funds

	Unrestricted 2024	**Designated 2024**	**Restricted 2024**	**Total 2024**	Unrestricted 2023	Designated 2023	Restricted 2023	Total 2023
	£	**£**	**£**	**£**	£	£	£	£
Fund balances at 31 December 2024 are represented by:								
Intangible fixed assets	-	522	-	522	-	3,212	-	3,212
Tangible assets	-	343,440	-	343,440	-	358,062	-	358,062
Investments	2,136,007	61,500	-	2,197,507	2,025,228	71,536	-	2,096,764
Current assets/(liabilities)	127,472	-	27,497	154,969	28,438	-	23,430	51,868
Long term liabilities	(93,783)	-	-	(93,783)	(90,770)	-	-	(90,770)
	2,169,696	405,462	27,497	2,602,655	1,962,896	432,810	23,430	2,419,136

27 Related party transactions

There were related party transactions of none during the year (2023- none).

Included within the Trustees Report are details of related party relationships regarding the society's dormant trading subsidiary and other organisations the society works with to achieve its objectives.

28 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024 £	2023 £
Within one year	13,820	13,820
Between two and five years	55,279	55,279
In over five years	38,818	52,675
	107,917	121,774

The charity classifies the lease of a photocopier, franking machine and rental of a building as operating leases. Rental charges are charged on a straight line basis over the term of the lease.

29 Subsidiaries

These financial statements are separate charity financial statements for The Welsh Pony and Cob Society Limited.

Consolidated financial statements have not been prepared due to the trading subsidiary being dormant.

Details of the charity's subsidiaries at 31 December 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
WPCS Trading Ltd	United Kingdom	Dormant	Ordinary Shares	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
WPCS Trading Ltd	-	2

The company number for the trading company is 02946610.

The investment in the subsidiary is stated at cost.

30 Cash generated from operations

	2024	2023
	£	£
Surplus for the year	183,519	13,510
Adjustments for:		
Investment income recognised in statement of financial activities	(49,033)	(46,305)
Fair value gains and losses on investments	(114,431)	(75,096)
Amortisation and impairment of intangible assets	2,690	5,244
Depreciation and impairment of tangible fixed assets	14,830	14,832
Movements in working capital:		
(Increase)/decrease in stocks	(3,436)	12,386
(Increase) in debtors	(19,618)	(9,307)
(Decrease) in creditors	(17,293)	(44,543)
(Decrease)/increase in deferred income	(5,337)	31,399
Cash absorbed by operations	(8,109)	(97,880)

31 Analysis of changes in net funds

The charity had no debt during the year.

WELSH PONY AND COB SOCIETY

England & Wales - Charity number 222014

Accounts

Charity registration number 222014

Company registration number 1017832 (England and Wales)

THE WELSH PONY AND COB SOCIETY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

THE WELSH PONY AND COB SOCIETY

CONTENTS

	Page
Trustees report	1 - 9
Statement of trustees responsibilities	10
Independent auditor's report	11 - 14
Statement of financial activities	15
Balance sheet	16 - 17
Statement of cash flows	18
Notes to the financial statements	19 - 38

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 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 2019)".

Objectives and activities

The objectives of the Society are to encourage the breeding, improvement and integrity of the Welsh Breeds of horses and ponies; advance public education of management of the Welsh Breeds; to prevent cruelty to horses and ponies; to provide and assist in provision for public benefit, facilities for recreation and other leisure time through use of horses but confined to facilities provided in the interests of social welfare. In order to further these aims the Society undertakes a number of core activities.

The Society is obliged to compile and publish stud books of registered pure and part-bred Welsh Ponies and Cobs, which is done on a regular basis. In recent years, this has been combined with its role as a Passport Issuing Organisation (PIO) and registration of equines is through its comprehensive registration processes.

Information and assistance are provided to members and non-members in person, via telephone, email, and the website. In addition, members receive an annual Journal and two newsletters per year. The Society also publishes literature on the Welsh Breed and provides a website that is accessible to members and non-members, with an active Facebook page.

The Society has a programme of grants to provide direct financial assistance to members of other voluntary groups working with similar objectives. It also administers a bursary scheme for young individuals pursuing qualifications within the equine world. The awards are formally reviewed annually by Council to ensure that it continues to meet those needs.

The Society also has an equine welfare advice and guidance scheme in place.

The aims of the charity are detailed below:

- To encourage the breeding and improvement of horses and ponies more especially those of the Welsh Breeds.
- To advance public education in all districts and counties in the various arts and sciences connected with the use and management of horses and ponies in general and in particular of the Welsh Mountain Pony, the Welsh Pony, the Welsh Pony (Cob Type) and the Welsh Cob and their Part-breds.
- To provide or assist in the provision for the public benefit, of facilities for recreation or other leisure time occupation, through the use of horses and ponies, but confined to facilities provided in the interests of social welfare.
- To prevent cruelty to and promote the welfare of horses and ponies.

The charity's strategies for achieving its stated aims and objectives is to:

- Ensure workforce development and structured line management is in place.
- Ensure trustees undergo regular appraisals and development plans are put in place.
- Ensure work-plans for Council and Standing Committees are in place.

The charity measures its success in the reporting period using a number of assessments such as:

- Ensuring that the officer reports to Council and the Standing Committees on a regular basis.
- Reports from working groups and delegates are produced and reviewed.
- Quality assurance techniques of random sampling and benchmarking.
- Comparing evidence-based achievements against work plans.
- Consultations with trustees, staff, volunteers and members.
- Logging, analysis and reporting of comments and feedback.

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'when reviewing our aims and objectives and in planning our future activities. Trustees were provided with copies of the revised publications relating to public benefit. Trustees consider how planned activities will contribute to the aims and objectives they have set.

Public benefits applicable to the charity's activities include:

- the advancement of education through the provision of Educational Visits to colleges.
- the award of educational bursaries and the production of information and publications on the Welsh breeds.
- the advancement of the arts, culture, heritage or science through the preservation and promotion of the semi-feral hill ponies and the Welsh breeds in general, these being an important part of the heritage of Wales.
- the advancement of amateur sport through the establishment of medal and rosette schemes, support of young handler competitions, staging of performance shows and awards, the provision of judges panels, and young judges' competitions.
- the advancement of environmental protection or improvement through the support provided by the premium grant schemes awarded to semi-feral hill ponies who are essential for the conservation of the natural habitat of Wales.
- the advancement of animal welfare through the publication of a code of welfare, a guide to purchasing and caring for Welsh Ponies and Cobs, a care and management booklet and other publications that provide welfare guidelines and advice.

The significant activities undertaken by the charity which contribute to its stated aims and objectives are:

Education and Welfare – fostering and encouraging the acquisition of knowledge and dissemination of best practise regarding the management and welfare of ponies, cobs, part-bred and equine in general; publicising and communicating the education and welfare by all means possible.

Members Services – The development and growth of membership to the Society, maintaining the integrity of the Welsh Stud Book and Overseas Register. Production of an annual Stud Book and supervision of Young People's Committee activities. Organising and appointing Young Ambassador Elect and Young Achiever on an annual basis.

Promotions – raising the profile of equines and ensuring that legislators and regulators are aware of what the Society is thinking, providing a media approach in relation to equine across all media outlets, and informing the public as to what the Society is developing.

Judging and showing – judges' assessment and conferences, ensuring judges uphold the integrity and good standing of the Society and exploring their continuing professional development, providing a clear written rule book each year.

The Society is both dependent on and appreciative of the work of so many volunteers who give freely of their time to advance the interests of Welsh breeds. Trustees are aware that voluntary work is not always appreciated and would like to thank members up and down the country who have generously given their time on behalf of the Society.

Achievements and performance

Council meetings were once more held in person at Bronaeron, with committee meetings held online to reduce travel costs and to facilitate the possibility of convening meetings at short notice if required.

A highly successful Awards night and President's dinner was held at the Metropole Hotel in 2023.

The original hard work of the Sales committee and staff has meant the Official sale at Builth Wells seems to grow from strength to strength with 2023 seeing the event take place over three days with the first day being mainly for performance animals. 2023 also saw the first Official spring sale conducted by McCartneys, the Society's official auctioneers, which we hope will grow over the coming years. The Society will continue to support the Auctioneers to ensure the future of sales for our membership. The success of the sales also contributes greatly to the income of the Society. The use of the Society's database to enable sales entries to streamline the checking process for entries proved a huge benefit.

The continuous improvement of the Society's administration is on-going, as evidenced in cost reductions in administrative and backroom areas, and in compliance with the Minimum Operating Standards for UK Passport Issuing Offices and to produce passports within 15 working days, and to transfer passports within 10 working days.

Every registration form which did not have errors or queries regarding ownership, etc was processed before the end of the year, and the Society would like to commend its membership for their efforts in rectifying the problem. However, the policy of returning incorrect or incomplete forms has paid off. 24.1% of all forms received were returned to the breeder at least once – some more than one time, which is a high figure and a target for 2024 is to bring this percentage down.

Two more Stud books were produced in 2023, volumes 103 and 104, which brings the Society up to date; volume 105 will be ready for the Royal Welsh. Resources have been allocated to address issues concerning Education and Welfare for members and non-members, and to include in particular the younger people. In order to reach a wider audience using social media, the Society has been very proactive in its rate of postings. It currently has 56,000 followers on Facebook.

Council have continued with the International Committee meetings which were previously run as physical meetings, to online meetings twice a year for inclusivity and accessibility for all daughter societies around the world, mindful of time differences and the cost and environmental impact of travel. It was very pleasing to see such a good attendance in 2023.

The Society continues to work with the Hill Pony Improvement Societies on DNA profiling and a successful derogation day was held in December at Brecon market. This was identified as an area for promotion to raise the profile of the hill ponies within the breed. This provides invaluable genetic information for the Welsh Breed and will be an asset for future generations to reference.

The Society has reviewed the Judging & Showing Handbook and tweaked the medal procedures that are due to be reviewed fully at the end of the 2024 season. The Judging and Showing Handbook works to ensure the preservation and improvement of judging standards.

The services provided by the Society are not restricted and are widely available to the public, without discrimination.

The Society has a policy of investing in UK fixed interest and UK equities. The portfolio managers, Investec, actively manage the funds on our behalf, buying and selling the portfolio as necessary, and to follow instructions provided by the council in line with their investment policy.

Investments

Investments are valued at mid-market prices and are split as follows:

	2023 Fair Value £	**2023 Cost £**	2022 Fair Value £	2022 Cost £
Fixed Interest	525,433	469,283	451,556	515,317
Equities	1,560,907	1,367,476	1,600,119	1,350,555
Cash held in portfolio	10,422	10,422	44,749	44,749

Financial review

Results

	2023 Unrestricted £	**2023 Restricted £**	**2023 Total £**	2022 Unrestricted £	2022 Restricted £	2022 Total £
Income	617,388	4,907	622,295	625,333	5,450	630,783
Expenditure	(675,863)	(8,018)	(683,881)	(706,871)	(1,885)	(708,756)
Operating results	**(58,475)**	**(3,111)**	**(61,586)**	**(81,538)**	**3,565**	**(77,973)**
Investment movements	75,096	-	75,096	(228,683)	-	(228,683)
Net movement	**16,621**	**(3,111)**	**13,510**	**(310,221)**	**3,565**	**(306,656)**

The Society is keeping a close watch on both income and expenditure going forward. The Society is seeking to increase its income from membership, from the passport issuing office and from promotional and trading goods whilst exploring other income streams. Online payment of memberships and other services, such as registrations, transfers and stallion licence fees continue to be popular with members.

This reserves policy seeks to address the charity's future needs in relation to its reserves and to satisfy Charity Commission requirements for charities to adopt comprehensive reserves policies. The Council has established a financial planning process whereby when agreeing the annual operational budget during the autumn of the preceding year, and with the aim of balancing the operational budget, larger capital or revenue items will be funded out of its reserves. As of the end of December 2023 the free reserves stand at £1,962,896 (2022: £1,925,735). The total designated funds at 31 December 2023 stand at £432,810 (2023: £453,349) see the notes to the financial statements for detailed analysis.

The Council has examined the charity's requirements for reserves in light of the main risks to the organisation and the cost of projected future projects. The main risks are identified as external events beyond the Society's influence, including the decision of the UK to leave the European Union and the implementation of a central equine database by the Welsh Government. Future projects will include a new website, museum/museum hub(s), promotional virtual reality experiences, migration of office systems and upgrades including telephone systems and interactive voice response (IVR), development of Society merchandise, DNA development and development of EquiCymru.

The Council recognises that it should not be retaining income funds that should be paid out in the fulfilment of its charitable objectives. The Council undertakes to:

- Review the reserves position annually.
- Review the investments position annually.
- Forecast its income and the reliability of each income source.
- Forecast its expenditure on the basis of planned activities and their associated costs.
- Consider future needs and opportunities, for example expansion possibilities.
- Consider various scenarios, for example, what if there was a change in government policy affecting their area of operations.

The Society's principal funding sources are derived from income through membership subscriptions, grants and sponsorships and they receive regular monthly income from registration and associated business. The Society has invested amounts with its investment portfolio managers whilst retaining a prudent amount in the bank deposits. Trustees continue to invest in fixed interest/short term deposits and medium to low risk investments and are advised by duly appointed investment portfolio managers.

The trustees have identified the following significant risks affecting the Society:

- Loss of passport issuing office (PIO) status leading to decreased income the charity ensures it keeps abreast of all proposed changes by attending meetings with Welsh Government and the ESA 826 group, and by actively engaging with and updating the Central Equine Database.
- Sudden collapse in the equine leisure market (as a result of an outbreak of foot and mouth or an Exotic Equine Disease) – this is a risk the charity cannot mitigate against, however, the charity is developing an action plan to implement should such an event happen.
- Severe economic downturn leading to loss of income – the charity monitors cash flow and expenditure against budgets on a monthly basis to ensure unnecessary costs are not incurred.
- The knock on effect and repercussions following the UK's exit from the European Union – the Society is maintaining contact with the Welsh and UK governments and communicating with key stakeholders.
- The huge impact of inflation and the cost of living on members and the real threat that their equine interests will have to be curtailed obviously affecting the income streams of the Society.

To mitigate against the above risks and other risks facing the charity the trustees conduct regular reviews of the major risks to which the charity is exposed, listing these in a Risk Register. Systems and procedures have been established to mitigate the risks that the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities and associated budgets. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety requirements relating to staff, trustees, volunteers and visitors to the Society's premises.

The Society continually reviews the procedures to ensure that they continue to meet the needs of the charity.

Plans for future periods

There are key areas of development and investment planned over the next year. The Society's business plan for 2024-2025 includes continued promotion and education on the Welsh breeds and the care and management of the horses and ponies. This is expected to be undertaken through attending specific targeted events on a national basis and distributing information and guidance, improved links with the Area Associations, and promoting online to members and non-members.

The Society will continue to develop the provision in the Welsh language.

The internet continues to be an excellent avenue for communication. The Facebook followers has increased from 54,100 in 2022 to 56,191 in 2023.

Structure, governance and management

The Welsh Pony and Cob Society (the Society) is a registered charity under the Charities Act 2011 (Number 222014) and a company limited by guarantee (Number 1017832). The Society is governed by its Memorandum and Articles of Association which were initially adopted on the 15 July 1971, at which date the assets and liabilities of the unincorporated Society were acquired. The Articles of Association were subsequently amended and adopted on 1 March 2008 and updated following the EGM in September 2009 followed by a further update at the AGM of 1st APRIL 2017. The last changes to the Society's Articles and Memorandum were adopted at the AGM of 11th of December 2021.

The Council, who are the Trustees of the charity and Directors of the company, are elected from the membership of the Society at the Annual General Meeting. Council members are elected for a term of 3 years and a third of Council members normally retire each year, creating vacancies to be filled. They may, however, be re-elected for a further three-year period before being required to stand down for a term. The notice calling for nominations is required to be sent to members a minimum of 8 weeks before the AGM. All members of the Society have the right to nominate candidates and vote. The administration and counting of returned postal ballots is conducted by independent scrutineers. The President and President–Elect are also nominated and elected by the members and accepted at the Annual General Meeting. The Chair, Vice-Chair of Council and Chair of Finance and Human Resources are elected by Council members at the first meeting following the AGM each year.

The Society's structure is that of being governed by a Council of 15 members, responsible for setting the strategic direction of the organisation and the policy of the charity. Council carries the ultimate responsibility for the conduct of the Society and for ensuring that the charity satisfies its legal and contractual obligations. The Council is bound by its Memorandum and Articles of Association to meet at least twice a year. Various sub committees also meet regularly to consider the more urgent issues that arise during the year, but all decisions are ratified by the Council unless prior approval of remit and budget are given. The Council delegates the day-to-day operation of the organisation to senior management. A register of Council Members' interests is maintained at the registered office and is available to the public for review.

New Council members are provided with an introduction to the Society and their role within its governance through an induction day and a visit to the Society's office. Printed and electronic materials are made available to them at the induction and following on from that on a regular basis either by email or at Council meetings. Further information and training is provided on an on-going basis through email, at Council meetings and other externally facilitated events.

The trustees consider that the board of directors, who are also the Society's trustees and the senior management team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Society on a day-to-day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses, key management personnel and related party transactions are disclosed in the notes to the accounts.

The pay of the staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other charities of a similar size and operating in the same sector. The remuneration is bench-marked using market data which is readily available. This is actioned as long as the charity's business plan allows for the additional expenditure.

The Society is the sole shareholder of WPCS Trading Limited, a company limited by guarantee. This company ceased trading on the 30 September 2005 and is dormant.

The Society also co-operates and liaises with a number of other organisations to achieve its objectives on a broader level. It is closely associated with the Hill Pony Improvement Societies. It co-operates and collaborates with other equine and welfare related organisations, including other native breed societies through DEFRA, the Welsh Government, the National Pony Society, BHS, ILPH, the National Equine Welfare Council, HBLB, Trading Standards, World Horse Welfare, RSPCA, JMB, 826 ESA group, NASTA, and DNA Consultants.

Reference and administrative details

Charity name	The Welsh Pony and Cob Society
Charity number	222014
Company number	1017832
Registered office	Bronaeron Felinfach Lampeter Ceredigion SA48 8AG
Key management personnel	Ms G Bassett-Burr Mr D M Davies to December 2023
Trustees	Ms S J Charlton - resigned 25/10/2023 Mr D S Davies - resigned 29/08/2023 Mr D T C Evans Mr A S Everitt - resigned 21/09/2023 Mr E P J Gummery Ms E Hampson - resigned 08/04/2023 Ms D Jones - resigned 25/10/2023 Mr W Jones - resigned 31/10/2023 Ms A J Kember Mr D D Morgan - resigned 08/04/2023 Mr D O Roberts Mr D M Waters Ms R J R Wilson - resigned 08/04/2023 Ms T Baldwin - resigned 24/10/2023 Ms L Stephens - resigned 17/07/2023 Mrs J V Parry - appointed 08/11/2023 Mr E G Prosser - appointed 08/04/23 Mr M J Davies - appointed 08/04/2023 Mrs M A Bigley - appointed 01/11/2023 Mrs T Hook - appointed 01/11/2023
Secretary	Mr D M Davies - to December 2023
President	Mr I T D Price - to 8/4/23 Mr D L I Evans - from 8/4/23
President Elect	Mr D L I Evans - to 8/4/23 Mrs J P Price - from 8/4/23
Chair of Council	Mr E P J Gummery

Vice Chair of Council	Mr D M Waters - to 24/10/23 Mr D O Roberts - from 24/10/23
Directors of subsidiary company	Miss S Hardy Mr C Thomas

Auditors	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB
Legal Advisers	Geldards 4 Capital Quarter Tyndall Street Cardiff CF10 4BZ
Investment providers	Investec Wealth and Investment Ltd 30 Gresham Street London EC2V 7QN
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Board of Trustees.



Mr E P J Gummery

Dated: 4th July 2024

THE WELSH PONY AND COB SOCIETY

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees, who are also the directors of The Welsh Pony and Cob Society 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.

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

THE WELSH PONY AND COB SOCIETY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE WELSH PONY AND COB SOCIETY

Opinion

We have audited the financial statements of The Welsh Pony and Cob Society (the 'charity') for the year ended 31 December 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 December 2023 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 require 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF THE WELSH PONY AND COB SOCIETY

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 145 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.

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 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF THE WELSH PONY AND COB SOCIETY

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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 auditors' 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.

Azets Audit Services

Andrew Howells (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

4 July 2024

Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF THE WELSH PONY AND COB SOCIETY

Azets Audit Services 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.

THE WELSH PONY AND COB SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Income from:							
Donations and legacies	3	17,627	-	17,627	13,918	-	13,918
Charitable activities	4	545,997	-	545,997	567,000	-	567,000
Other trading activities	5	7,459	4,907	12,366	1,772	5,450	7,222
Investments	6	46,305	-	46,305	42,643	-	42,643
Total income		617,388	4,907	622,295	625,333	5,450	630,783
Expenditure on:							
Raising funds	7	7,729	8,018	15,747	17,183	1,885	19,068
Charitable activities	8	668,134	-	668,134	689,688	-	689,688
Total expenditure		675,863	8,018	683,881	706,871	1,885	708,756
Net gains/(losses) on investments	13	75,096	-	75,096	(228,683)	-	(228,683)
Net movement in funds		16,621	(3,111)	13,510	(310,221)	3,565	(306,656)
Fund balances at 1 January 2023		2,379,085	26,541	2,405,626	2,689,306	22,976	2,712,282
Fund balances at 31 December 2023		2,395,706	23,430	2,419,136	2,379,085	26,541	2,405,626

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE WELSH PONY AND COB SOCIETY

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	**16**		3,212		8,456
Tangible assets	**15**		358,062		372,893
Investments	**17**		2,096,764		2,096,424
			2,458,038		2,477,773
Current assets					
Stocks	**18**	30,102		42,488	
Debtors	**19**	19,031		9,724	
Cash at bank and in hand		90,159		66,978	
		139,292		119,190	
Creditors: amounts falling due within one year	**20**	(87,424)		(101,841)	
Net current assets			51,868		17,349
Total assets less current liabilities			2,509,906		2,495,122
Creditors: amounts falling due after more than one year	**21**		(90,770)		(89,496)
Net assets			2,419,136		2,405,626
Income funds					
Restricted funds	**25**		23,430		26,541
Unrestricted funds					
Designated funds	**24**	432,810		453,350	
General unrestricted funds		1,962,896		1,925,735	
			2,395,706		2,379,085
			2,419,136		2,405,626

THE WELSH PONY AND COB SOCIETY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2023

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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 4th July 2024

.....

Mr E P J Gummery
Trustee

Company registration number 1017832

THE WELSH PONY AND COB SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	**30**		(97,880)		(79,244)
Investing activities					
Purchase of investments		(274,332)		(434,767)	
Proceeds from disposal of investments		349,088		444,049	
Investment income received		46,305		42,643	
Net cash generated from investing activities			121,061		51,925
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			23,181		(27,319)
Cash and cash equivalents at beginning of year			66,978		94,297
Cash and cash equivalents at end of year			90,159		66,978

1 Accounting policies

Charity information

The Welsh Pony and Cob Society is a private company limited by guarantee incorporated in England and Wales. The registered office is Bronaeron, Felinfach, Lampeter, Ceredigion, SA48 8AG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 2019)". 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 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

General funds are unrestricted funds which are available for use at the discretion of the board in furtherance of the general objectives of the society and which have not been designated for other purposes.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the society for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

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, but not recognised.

Dividends income is recognised on the date the charity's right to receive payment is established.

Trading income is recognised in the period to which the income is generated.

1 Accounting policies **(Continued)**

Income from charitable activities (excluding grants) is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

Grants are only included in the SoFA when the general income recognition criteria are met.

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services, as entitlement to the grant only occurs when the performance related conditions are met. Grants receivable are treated in different ways dependent upon their purposes and the terms of the grant.

Grants receivable for specific purposes are also treated as restricted funds so that any unused funds can be separately identified.

Grants receivable to facilitate the general running of the charity are treated as unrestricted funds.

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

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

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

Costs of raising funds comprise the costs in relation to generating income such as fundraising activities.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs. The basis for calculating the allocation of support costs was as a percentage of total staff costs attributed to each department.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

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.

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 Accounting policies **(Continued)**

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% and 5% straight line
Leasehold land and buildings	Over the life of the lease
Plant and equipment	25% and 33% straight line
Motor vehicles	20% 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.

Individual fixed assets costing £250 or more are capitalised at cost.

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.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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).

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.

The complete set of stud books used for library and reference purposes are not valued and are excluded from the Balance Sheet.

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 Accounting policies **(Continued)**

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

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.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies **(Continued)**

1.15 Reserve for future costs of life members

Life Members' subscriptions received in the period are included in income and transferred to deferred income.

The deferred income is adjusted at each accounting date for a regular amount transferred back to income dependent on the age banding of the life member.

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.

Key sources of estimation uncertainty

Life members deferred income

The charity provides life membership to members of varying ages, this requires an estimation regarding the number of years in which the income is released in the financial statements.

The income is released in the financial statements as follows:

Under 21's - over 50 years
21-40's - over 40 years
Over 40 - over 30 years
Over 60 - over 20 years

As at 31st December 2023 the amounts of income deferred totalled £97,889 (2022: £96,689), split between creditors due within one year £7,119 (2022: £7,193) and creditors due after more than one year £90,770 (2022: £89,496).

Income released in the financial statements totalled £6,290 (2022: £3,180).

Stock

The charity holds a large amount of stock of which some items are deemed to be obsolete and/or slow moving. A stock provision is made each year which requires an estimation as to the written down value.

During the year stock was written down by £12,386 (2022: £6,587).

As at 31st December 2023 the stock value contained in the financial statements totalled £30,102 (2022: £42,488).

3 Donations and legacies

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	17,627	13,918
Donations and gifts		
Donations and sponsorship	4,645	5,259
Pavillion donations and income	12,982	8,659
	17,627	13,918

4 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Subscriptions and life members income	131,209	135,187
Journal sales and advertising	18,437	25,258
Other membership income incl insurance	1,378	1,099
Registration and passports	225,728	248,791
Transfers and other registration income	121,547	114,188
Promotional goods	26,231	14,498
Judging, medal and rosette income	21,467	25,979
Grants	-	2,000
	545,997	567,000

5 Other trading activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Young people's fund	-	650	650	12	-	12
President's fundraising and dinner	-	4,257	4,257	-	5,450	5,450
Solar panel income	7,459	-	7,459	1,760	-	1,760
Other trading activities	7,459	4,907	12,366	1,772	5,450	7,222

6 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from listed investments	45,249	41,627
Interest receivable	1,056	1,016
	46,305	42,643

7 Raising funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fundraising and publicity						
Premium awards	975	-	975	4,125	-	4,125
Donations and bursaries	6,754	-	6,754	9,573	-	9,573
Retiring president's dinner	-	7,711	7,711	3,485	1,885	5,370
Young people's fund	-	307	307	-	-	-
Fundraising and publicity	7,729	8,018	15,747	17,183	1,885	19,068
	7,729	8,018	15,747	17,183	1,885	19,068

8 Charitable activities

	Membership	Registration	Education & promotion	Judging & showing	Total 2023	Total 2022
	£	£	£	£	£	£
Journal costs	26,343	-	-	-	26,343	25,724
Membership costs	34,795	-	-	-	34,795	32,566
Central prefix register and stud books	-	12,698	-	-	12,698	14,112
DNA blood typing and microchips	-	29,232	-	-	29,232	42,234
Passport binding	-	810	-	-	810	617
Promotional goods and stock	-	-	17,286	-	17,286	13,981
Exhibition unit expenses	-	-	2,522	-	2,522	5,126
Publicity officers expenses and educational visits	-	-	19,138	-	19,138	28,471
Medals, rosettes and engraving	-	-	-	6,253	6,253	7,257
Judges conferences	-	-	-	-	-	5,168
Judges and showing handbook	-	-	-	3,007	3,007	6,518
International show costs and expenses	-	-	-	306	306	766
	61,138	42,740	38,946	9,566	152,390	182,540
Share of support costs (see note 10)	72,419	208,207	45,263	126,735	452,624	465,870
Share of governance costs (see note 10)	10,099	29,036	6,312	17,673	63,120	41,278
	143,656	279,983	90,521	153,974	668,134	689,688

9 Description of charitable activities

Membership
The members' services department deals with subscriptions, the pavilion, the internet information and the journal.

Registration
The registration department includes the activities of registration, passports, transfers, exports, central prefixing, stud books and DNA blood typing and licenses.

Education & promotion
The education and promotions department includes the premium awards, junior club and donations, together with deals which include some promotional goods, second hand books and sponsorship.

Judging & showing
The judging & showing department includes the conference and seminar meetings, together with the attendance at shows and events, medals and rosettes.

10 Support costs

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	255,000	-	255,000	264,334	-	264,334
Depreciation	20,076	-	20,076	21,636	-	21,636
Other staff costs	760	-	760	2,636	-	2,636
Postage and stationery	39,651	-	39,651	41,225	-	41,225
Computer costs	31,236	-	31,236	22,895	-	22,895
Equipment rental	12,928	-	12,928	11,458	-	11,458
Repairs, renewals and sundry	44,683	-	44,683	31,230	-	31,230
Rates and utilities	19,516	-	19,516	18,898	-	18,898
Insurance	8,591	-	8,591	11,530	-	11,530
Travel and subsistence	773	-	773	851	-	851
Telephone	(4,113)	-	(4,113)	19,862	-	19,862
Bank charges, investment and other costs	23,523	-	23,523	19,315	-	19,315
Audit fees	-	15,930	15,930	-	13,250	13,250
Accountancy fees	-	-	-	-	1,500	1,500
Legal and professional fees	-	29,250	29,250	-	10,958	10,958
AGM expenses	-	6,818	6,818	-	6,752	6,752
Council expenses and training	-	11,122	11,122	-	8,818	8,818
	452,624	63,120	515,744	465,870	41,278	507,148
Analysed between						
Charitable activities	452,624	63,120	515,744	465,870	41,278	507,148

11 Trustees

No trustees received any remuneration during the current or prior year.

A total of £8,968 (2022: £7,908) was incurred in relation to travel, subsistence and accommodation expenses.

In 2023 ten trustees A Kember, D Jones, E Hampson, R Wilson, S Charlton, D Roberts, W Jones, L Stephens, E Gummery, A Everitt claimed expenses (2022: ten trustees A Kember, D Jones, E Hampson, R Wilson, S Charlton, D Roberts, W Jones, L Stephens, E Gummery, A Everitt claimed expenses).

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Office staff	11	12

Employment costs	2023 £	2022 £
Wages and salaries	236,494	242,866
Social security costs	11,212	13,039
Other pension costs	7,294	8,429
	255,000	264,334

Key management personnel

The key management personnel as detailed in the trustees report (2) received benefits (including gross salary, employers national insurance and employers pension contributions) totalling £93,836 (2022: £92,691).

Employees earning > £60k

There were no employees whose annual remuneration was £60,000 or more.

13 Net gains/(losses) on investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Revaluation of investments	75,096	(228,683)

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

15 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2023	468,805	95,614	320,858	17,500	902,777
At 31 December 2023	468,805	95,614	320,858	17,500	902,777
Depreciation and impairment					
At 1 January 2023	117,833	80,586	318,321	13,145	529,885
Depreciation charged in the year	10,032	2,603	1,320	875	14,830
At 31 December 2023	127,865	83,189	319,641	14,020	544,715
Carrying amount					
At 31 December 2023	340,940	12,425	1,217	3,480	358,062
At 31 December 2022	350,972	15,028	2,538	4,355	372,893

16 Intangible fixed assets

	Software
	£
Cost	
At 1 January 2023 and 31 December 2023	26,245
Amortisation and impairment	
At 1 January 2023	17,789
Amortisation charged for the year	5,244
At 31 December 2023	23,033
Carrying amount	
At 31 December 2023	3,212
At 31 December 2022	8,456

17 Fixed asset investments

	Listed investments	Cash in portfolio	Other investments	Total
	£			£
Cost or valuation				
At 1 January 2023	2,051,673	44,749	2	2,096,424
Additions	274,332	-	-	274,332
Valuation changes	75,096	-	-	75,096
Cash movement	-	(34,327)	-	(34,327)
Disposals	(314,761)	-	-	(314,761)
At 31 December 2023	2,086,340	10,422	2	2,096,764
Carrying amount				
At 31 December 2023	2,086,340	10,422	2	2,096,764
At 31 December 2022	2,051,673	44,749	2	2,096,424

Other investments comprise:	Notes	2023 £	2022 £
Investments in subsidiaries	29	2	2

18 Stocks

	2023 £	2022 £
Finished goods and goods for resale	30,102	42,488

19 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	19,031	9,724

20 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Other taxation and social security		3,702	4,885
Deferred income	23	18,276	15,344
Trade creditors		22,323	50,020
Accruals and deferred income		43,123	31,592
		87,424	101,841

21 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Deferred income	23	90,770	89,496

22 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £7,294 (2022: £8,429). The amount outstanding at the year end was £nil (2022: £nil).

23 Deferred income

	2023 £	2022 £
Arising from membership subscriptions and journal sales	109,046	104,840

Deferred income comprises journal sales and membership subscriptions which relate to the 2023 financial year.

Deferred income also includes life members' subscriptions.

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	18,276	15,344
Non-current liabilities	90,770	89,496
	109,046	104,840

Movements in the year:

23 Deferred income (Continued)

Deferred income at 1 January 2023	104,840	110,813
Released from previous periods	(153,553)	(180,275)
Resources deferred in the year	157,759	174,302
Deferred income at 31 December 2023	109,046	104,840

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2022	Resources expended	Balance at 1 January 2023	Resources expended	Balance at 31 December 2023
	£	£	£	£	£
Educational bursary	2,000	-	2,000	(466)	1,534
IT development	20,000	-	20,000	-	20,000
Legal costs	30,000	-	30,000	-	30,000
Capital expenditure	15,000	-	15,000	-	15,000
Training	5,000	-	5,000	-	5,000
Fixed asset fund	402,986	(21,636)	381,350	(20,074)	361,276
	474,986	(21,636)	453,350	(20,540)	432,810

Educational bursary
Relates to monies designated to provide educational bursaries. The remaining balance will be expended in future periods.

IT development
Relates to future costs regarding the redesign and update of the charity's new IT system.

Legal costs
Relates to future costs regarding ongoing legal advice.

Capital expenditure
Relates to future capital costs to be incurred towards work at Bronaeron site.

Training
Relates to future costs regarding training, the remaining balance will be expended in future periods.

Fixed asset fund
This represents the net book value of the charity's fixed and intangible assets.

25 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds			Movement in funds		
	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 1 January 2023	Incoming resources	Resources expended	Balance at 31 December 2023
	£	£	£	£	£	£	£
Miss Broderick Memorial Fund	932	-	-	932	-	-	932
Young People's Account Fund	12,265	-	-	12,265	650	(307)	12,608
Presidents Fund	3,830	5,450	(1,885)	7,395	4,257	(7,711)	3,941
International show	5,949	-	-	5,949	-	-	5,949
	22,976	5,450	(1,885)	26,541	4,907	(8,018)	23,430

Miss Broderick Memorial Fund
A fund set up in memory of Miss Broderick in order to cover costs of providing a replica trophy and engraving costs for the Miss Broderick Memorial Prize.

Young People's Account Fund
Money kept in reserve arising from the young people's fundraising activities, and which is to be used for their purposes as instructed.

President's Fund
The President's fundraising income is being held in a restricted reserve with any income in excess of expenditure being donated to charity during the 2022 financial year.

International show
Money kept in reserve to cover a potential donation to the International Show 2022 and the funding of the international rosettes for 2022.

26 Analysis of net assets between funds

	Unrestricted 2023	**Designated 2023**	**Restricted 2023**	**Total 2023**	Unrestricted 2022	Designated 2022	Restricted 2022	Total 2022
	£	**£**	**£**	**£**	£	£	£	£
Fund balances at 31 December 2023 are represented by:								
Intangible fixed assets	-	3,212	-	3,212	-	8,456	-	8,456
Tangible assets	-	358,062	-	358,062	-	372,893	-	372,893
Investments	2,025,228	71,536	-	2,096,764	2,024,424	72,000	-	2,096,424
Current assets/(liabilities)	28,438	-	23,430	51,868	(9,192)	-	26,541	17,349
Long term liabilities	(90,770)	-	-	(90,770)	(89,496)	-	-	(89,496)
	1,962,896	432,810	23,430	2,419,136	1,925,736	453,349	26,541	2,405,626

27 Related party transactions

There were related party transactions of none during the year (2022- none).

Included within the Trustees Report are details of related party relationships regarding the society's dormant trading subsidiary and other organisations the society works with to achieve its objectives.

28 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	13,820	22,413
Between two and five years	55,279	89,651
In over five years	52,675	73,181
	121,774	185,245

The charity classifies the lease of a photocopier, franking machine and rental of a building as operating leases. Rental charges are charged on a straight line basis over the term of the lease.

29 Subsidiaries

These financial statements are separate charity financial statements for The Welsh Pony and Cob Society Limited.

Consolidated financial statements have not been prepared due to the trading subsidiary being dormant.

Details of the charity's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
WPCS Trading Ltd	United Kingdom	Dormant	Ordinary Shares	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
WPCS Trading Ltd	-	2

The company number for the trading company is 02946610.

The investment in the subsidiary is stated at cost.

30	**Cash generated from operations**	**2023**	**2022**
		£	**£**
	Surplus/(deficit) for the year	13,510	(306,656)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(46,305)	(42,643)
	Fair value gains and losses on investments	(75,096)	228,683
	Amortisation and impairment of intangible assets	5,244	5,244
	Depreciation and impairment of tangible fixed assets	14,832	16,392
	Movements in working capital:		
	Decrease in stocks	12,386	6,587
	(Increase)/decrease in debtors	(9,307)	3,490
	(Decrease)/increase in creditors	(17,350)	15,632
	Increase/(decrease) in deferred income	4,206	(5,973)
	Cash absorbed by operations	(97,880)	(79,244)

31 Analysis of changes in net funds

The charity had no debt during the year.

WELSH PONY AND COB SOCIETY

England & Wales - Charity number 222014

Accounts

Charity registration number 222014

Company registration number 1017832 (England and Wales)

THE WELSH PONY AND COB SOCIETY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

FRIDAY

BCD29XCG

B13 29/09/2023 #179

COMPANIES HOUSE

THE WELSH PONY AND COB SOCIETY

CONTENTS

	Page
Trustees report	1 - 13
Statement of trustees responsibilities	14
Independent auditor's report	15 - 18
Statement of financial activities	19
Balance sheet	20 - 21
Statement of cash flows	22
Notes to the financial statements	23 - 42

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees present their annual report and financial statements for the year ended 31 December 2022.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 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 2019)".

Objectives and activities

The objectives of the Society are to encourage the breeding, improvement and integrity of the Welsh Breeds of horses and ponies; advance public education of management of the Welsh Breeds; to prevent cruelty to horses and ponies; to provide and assist in provision for public benefit, facilities for recreation and other leisure time through use of horses, but confined to facilities provided in the interests of social welfare. In order to further these aims the Society undertakes a number of core activities.

The Society is obliged to compile and publish stud books of registered pure and part-bred Welsh Ponies and Cobs, which is done on a regular basis. In recent years, this has been combined with its role as a Passport Issuing Organisation (PIO) and registration of equines is through its comprehensive registration processes.

Information and assistance are provided to members and non-members in person, via telephone, email, and the website. In addition, members receive an annual Journal. The Society also publishes literature on the Welsh Breed and provides a website that is accessible to members and non-members, with an active Facebook page.

The Society has a programme of grants to provide direct financial assistance to members of other voluntary groups working with similar objectives. It also administers a bursary scheme for young individuals pursuing qualifications within the equine world. The awards are formally reviewed annually by Council to ensure that it continues to meet those needs.

The Society also has an equine welfare advice and guidance scheme in place.

The aims of the charity are detailed below:

- To encourage the breeding and improvement of horses and ponies more especially those of the Welsh Breeds.
- To advance public education in all districts and counties in the various arts and sciences connected with the use and management of horses and ponies in general and in particular of the Welsh Mountain Pony, the Welsh Pony, the Welsh Pony (Cob Type) and the Welsh Cob and their Part-breds.
- To provide or assist in the provision for the public benefit, of facilities for recreation or other leisure time occupation, through the use of horses and ponies, but confined to facilities provided in the interests of social welfare.
- To prevent cruelty to and promote the welfare of horses and ponies.

The charity's strategies for achieving its stated aims and objectives is to:

- Ensure workforce development and structured line management is in place.
- Ensure trustees undergo regular appraisals and development plans are put in place.
- Ensure work-plans for Council and Standing Committees are in place.

The charity measures its success in the reporting period using a number of assessments such as:

- Ensuring that the officer reports to Council and the Standing Committees on a regular basis.
- Reports from working groups and delegates are produced and reviewed.
- Quality assurance techniques of random sampling and benchmarking.
- Comparing evidence-based achievements against work plans.
- Consultations with trustees, staff, volunteers and members.
- Logging, analysis and reporting of comments and feedback.

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'when reviewing our aims and objectives and in planning our future activities. Trustees were provided with copies of the revised publications relating to public benefit. Trustees consider how planned activities will contribute to the aims and objectives they have set.

Public benefits applicable to the charity's activities include:

- the advancement of education through the provision of Educational Visits to colleges.
- the award of educational bursaries and the production of information and publications on the Welsh breeds.
- the advancement of the arts, culture, heritage or science through the preservation and promotion of the semi-feral hill ponies and the Welsh breeds in general, these being an important part of the heritage of Wales.
- the advancement of amateur sport through the establishment of medal and rosette schemes, support of young handler competitions, staging of performance shows and awards, the provision of judges panels, and young judges' competitions.
- the advancement of environmental protection or improvement through the support provided by the premium grant schemes awarded to semi-feral hill ponies who are essential for the conservation of the natural habitat of Wales.
- the advancement of animal welfare through the publication of a code of welfare, a guide to purchasing and caring for Welsh Ponies and Cobs, a care and management booklet and other publications that provide welfare guidelines and advice.

The significant activities undertaken by the charity which contribute to its stated aims and objectives are:

Education and Welfare – fostering and encouraging the acquisition of knowledge and dissemination of best practise regarding the management and welfare of ponies, cobs, part-bred and equine in general; publicising and communicating the education and welfare by all means possible.

Members Services – The development and growth of membership to the Society, maintaining the integrity of the Welsh Stud Book and Overseas Register. Production of an annual Stud Book and. Supervision of Young People's Committee activities. Organising and appointing Young Ambassador Elect and Young Achiever on an annual basis.

Promotions – raising the profile of equines and ensuring that legislators and regulators are aware of what the Society is thinking, providing a media approach in relation to equine across all media outlets, and informing the public as to what the Society is developing.

Judging and showing – judges assessment and conferences, ensuring judges uphold the integrity and good standing of the Society and exploring their continuing professional development, providing a clear written rule book each year.

Members of the Society served as trustees. Due to the impact of Covid the annual points competitions were postponed, as were the Performance show, the Young Judges competition, and the Judges' Assessment Day. The Office wrote articles for the press and published events, the Society investigated welfare cases, advised on veterinary issues with the assistance of the Society's Hon Veterinary Officer Mr Rowland Michell MRCVS, supported affiliated shows and acted as judges and stewards, acted as inspectors for the Society's breed improvement schemes and represented the Society at other equine organisations and events.

The Society is both dependent on and appreciative of the work of so many volunteers who give freely of their time to advance the interests of Welsh breeds. Trustees are aware that voluntary work is not always appreciated and would like to thank members up and down the country who have generously given their time on behalf of the Society.

Achievements and performance

2022 saw a slow return to some form of normality for the Society and members following the pandemic years. However, during 2022 although restrictions were lifted the Trustees and staff were always aware of the threat of Covid and the safety of individuals was paramount in the day to day running of the Society.

Following the postponement and date moving of the AGM's during lockdown we were able to hold our 2022 AGM at Llandrindod Wells on the 21st May under the Presidency of Mr Stewart Franklin. Moving forward the 2023 AGM will revert to it's usual time of year in late March / early April.

Council meetings were once more held in person at Bronaeron with committee meetings held online to reduce travel costs and to facilitate the possibility of convening meetings at short notice if required.

A Memorial Service was held at The Royal Welsh Showground to give members the opportunity to mourn and celebrate the lives of those members who had passed away during the years of the pandemic.

A highly successful First Awards night and President's dinner was held at the Vale Hotel thereby using the existing booking from 2019 thus meaning we did not lose out on the original deposit lodged with the venue.

With the shows now back in full swing it meant our affiliations and medal sales increased from the previous years. With the National Welsh Show taking place it meant the Young Judges competition could again be supported and a very successful event was held with more than 30 young competitors taking part .

The promotion of the Welsh breeds has been widespread, through the medals and rosettes awarded at shows and events throughout the country. During the year many events were attended by the Society's promotional vehicle and staff – Lampeter Stallion Show Glanusk, the Performance Event, West Wales Horse and Pony Group's HOYS show, RWAS, The National Welsh Show, the Victoria Foods Driving Extravaganza (a first time visit) and the Official sale, promoting the Society, providing services to members and potential members, passing on educational material and information and selling promotional goods.

The Society was represented at the International Show in Germany by two of the Trustees. It was decided by Council that the promotions vehicle would not visit the show due to cost and stringent border regulations on transporting merchandise and printed material into Europe.

A well attended Judges Conference was held at the Kelsall Hill Equestrian Centre in Cheshire.

The Judging assessment was held at Hartpury, as usual ,but unfortunately due to late difficulties arising from exhibits to be judged withdrawing at the last minute Council took the decision in the interest of fairness to restage further assessments at Fedw in Brecon and one took place at Brecon Market. (Note: A large percentage of the fees for the assessment were paid and accounted for in 2019).

The original hard work of the Sales committee and staff has meant the Official sale at Builth Wells seems to grow from strength to strength and the Auctioneers had to extend it to three days with the first day being mainly for performance animals. The Society will continue to support the Auctioneers to ensure the future of sales for our membership. The success of the sales also contributes greatly to the income of the Society. The use of the Society's database to enable sales entries to streamline the checking process for entries proved a huge benefit.

Whilst providing a service which is ultimately for the benefit of members the continuing effectiveness of the registration 'window' system with price increases to encourage a more constant flow of registrations has benefited the Society's performance. These initiatives have contributed to the Society's funds in the face of adversity.

One grant was received during the year. However, the museum has remained closed during the period. New lines of merchandise – with shorter runs was introduced showing clear profit margins and no major numbers of stock carried over. The adoption of a 'no spend attitude if possible' and squeezing the best deal principle when renegotiating contracts and bulk buying to ensure savings on the little things - envelopes, tamperproof paper and passport making components have all contributed to the Society's performance.The AGMs held at Llandrindod Wells Pavilion Mid Wales are at a fraction of the cost of larger hotel based venues

The transfer of equines continues apace however, many animals are still not transferred within the 30 days from sale window which is against the law. The Society suffered the loss of some numbers due to the Brexit effect on passporting animals from within the EU, however, the alternative OR registrations offer overseas breeders a lifeline to the Welsh stud book. The initial uptake has been slow but consistent and the hope is that many more will follow suit as the Society moves forwards and the new order of passporting in the country of domicile develops to be the norm.

Still a huge worry is the potential 'drift' away of those members and exhibitors who, by not being active in the showing or breeding spheres during the pandemic, may well find less costly, and therefore more appealing activities to pursue. This is an issue incoming Councils will have to address, not only for the Society's funding but also from the cultural aspect to ensure that there are committed breeders and enthusiasts for the future.

The continuous improvement of the Society's administration is on-going, as evidenced in cost reductions in administrative and backroom areas, and in compliance with the Minimum Operating Standards for UK Passport Issuing Offices and to produce passports within 15 working days, and to transfer passports within 10 working days.

Every registration form which did not have errors or queries regarding ownership, etc was processed before the end of the year, and the Society would like to commend its membership for their efforts in rectifying the problem. However, the policy of returning incorrect or incomplete forms has paid off. 19% of all forms received were returned to the breeder at least once – some more than one time, which is a high figure and a target for 2023 is to bring this percentage down.

Two more Stud books were produced in 2022 which brings the Society to the year 2020 with volumes 101 and 102 with Volumes 103 and 104 to be ready in 2023. Resources have been allocated to address issues concerning Education and Welfare for members and non-members, and to include in particular the younger people. In order to reach a wider audience using social media, the Society has been very proactive in its rate of postings. It currently has 54,000 followers on Facebook.

The Society's Breed & Welfare leaflets are also readily available from the office. Overseas associations can request the supply of translated breed leaflets for issue in their country.

The Society's website hosts an Education and Welfare page that provides a video link and information in this area.

The Society met with the Area Associations on the morning of the 2022 AGM and again later in the year. A well attended online meeting was held and Council intends to hold six monthly meetings again in 2023 one on the morning of the AGM and a second in the autumn. This meeting also enables communication from its members and non-members across the UK to reach the governing board. Members' opinion and feedback is helpful to guiding council, and trustees will continue to consult with members on a regular basis.

Council also decided to move the International Committee meetings from physical meetings to two a year online meetings for inclusivity and accessibility for all daughter societies around the world mindful of time differences and the cost and environtimental impact of travel. It was very pleasing to see such a good attendance at both meetings held.

The Society continues to work with the Hill Pony Improvement Societies on DNA profiling and a successful derogation day was held in December at Brecon market. This was identified as an area for promotion to raise the profile of the hill ponies within the breed. This provides invaluable genetic information for the Welsh Breed and will be an asset for future generations to reference.

The Society has reviewed the Judging & Showing Handbook and has had a comprehensive review of the medal procedures. A new medal status system has been devised for shows. This has been widely publicised and will be implemented in 2023 for all affiliated shows and will be further reviewed at the end of 2024. The Judging and Showing Handbook works to ensure the preservation and improvement of judging standards.

The Society's journal is the envy of other equestrian organisations, however, like many printed media, it is faced by rising printing and postage costs and continuing decline in advertising revenue as a result of members investing in their own websites and creating social media profiles. However, in 2022 the advertising income paid for the publishing costs which is very positive for the future. Council remains committed to the production of an annual journal and will ensure the most effective use of resources during 2023.The usual practice of tendering for the journal production ensures that the Society gets value for money at difficult times such as these with such a high level of inflation especially affecting the costs of production.

Educational bursaries for individuals were again available in 2022 but none were requested or awarded.

The services provided by the Society are not restricted and are widely available to the public, without discrimination.

Of the objectives set, the charity has achieved the following during the year:

- Production of a top-quality Journal recording 2022, evidencing and demonstrating the achievements of horse owners during the past year and thereby promoting the breeding and improvement of horses, advancing public education in the use and management of horses and ponies, and encouraging the provision of public benefit by advertising the results and achievements of shows, events and riders.
- The revised DNA testing policy, promoting the breeding and improvement of horses by maintaining the integrity of the stock book, raising the standard of animals, and creating a focus on a smaller, high quality breeding pool and contributing to the welfare of animals by lessening the availability of cheaper stock was rolled out during 2022.
- The Education & Welfare video, highlighting dangers of Equine Obesity and measures to discourage overly fat animals in the show ring, is available on social media.

During the year works were carried out at Bronaeron. Removal of several large leylandi trees on the boundary line was done at no cost by working with our neighbour.

Removal of seven very large Poplar trees on the roadside was done as a Health and Safety precaution.

The Society invested in a bulk purchase of Gold medals – enough to cover the next 5 years thereby benefitting in savings, it also invested in merchandise to sell to the membership.

The Office created Welsh language versions of forms and a bilingual passport in Welsh/English rather than French/English post Brexit-. These were actioned internally at no cost.

There has been an encouraging increase in the level of activity and traffic online via the Society's website, Facebook page and Instagram account.

The main fundraising event for the President's nominated charity is traditionally held at the President's AGM dinner dance.

The Society has a policy of investing in UK fixed interest and UK equities. The portfolio managers, Investec actively manage the funds on our behalf, buying and selling the portfolio as necessary, and to follow instructions provided by the council in line with their investment policy.

Investments are valued at mid-market prices and are split as follows:

	2022 Fair Value £	**2022 Cost £**	2021 Fair Value £	2021 Cost £
Fixed Interest	451,556	515,317	288,034	283,847
Equities	1,600,119	1,350,555	2,003,050	1,553,665
Cash held in portfolio	44,749	44,749	43,205	43,205

Financial review

Results

	2022 Unrestricted £	2022 Restricted £	2022 Total £	2021 Unrestricted £	2021 Restricted £	2021 Total £
Income	625,333	5,450	630,783	627,354	13,319	640,673
Expenditure	(706,871)	(1,885)	(708,756)	(601,001)	(17,956)	(618,957)
Operating results	**(81,538)**	**3,565**	**(77,973)**	**26,353**	**(4,637)**	**21,716**
Investment movements	(228,683)	-	(228,683)	202,070	-	202,070
Net movement	**(310,221)**	**3,565**	**(306,656)**	**228,423**	**(4,637)**	**223,786**

The Society is keeping a close watch on both income and expenditure going forward. The Society is seeking to increase its income from membership, from the passport issuing office and from promotional and trading goods whilst exploring other income streams. Online payment of memberships and other services, such as registrations, transfers and stallion licence fees continue to be popular with members.

This reserves policy seeks to address the charity's future needs in relation to its reserves and to satisfy Charity Commission requirements for charities to adopt comprehensive reserves policies. The Council has established a financial planning process whereby when agreeing the annual operational budget during the autumn of the preceding year, and with the aim of balancing the operational budget, larger capital or revenue items will be funded out of its reserves. As of the end of December 2022 the free reserves stand at £1,925,735 (2021: £2,214,320). The total designated funds at 31 December 2022 stand at £453,350 (2021:£474,986) see the notes to the financial statements for detailed analysis.

The Council has examined the charity's requirements for reserves in light of the main risks to the organisation and the cost of projected future projects. The main risks are identified as external events beyond the Society's influence, including the decision of the UK to leave the European Union and the implementation of a central equine database by the Welsh Government. Future projects will include a new website, a new boiler system and a new IT system.

The Council recognises that it should not be retaining income funds that should be paid out in the fulfilment of its charitable objectives. The Council undertakes to:

- Review the reserves position annually
- Review the investments position annually
- Forecast its income and the reliability of each income source
- Forecast its expenditure on the basis of planned activities and their associated costs
- Consider future needs and opportunities, for example expansion possibilities
- Consider various scenarios, for example, what if there was a change in government policy affecting their area of operations.

The Society's principal funding sources are derived from income through membership subscriptions, grants and sponsorships; and they receive regular monthly income from registration and associated business. The Society has invested amounts with its investment portfolio managers whilst retaining a prudent amount in the bank deposits. Trustees continue to invest in fixed interest/short term deposits and medium to low risk investments and are advised by duly appointed investment portfolio managers.

The trustees have identified the following significant risks affecting the Society:

- Loss of passport issuing office (PIO) status leading to decreased income the charity ensures it keeps abreast of all proposed changes by attending meetings with Welsh Government and the ESA 826 group, and by actively engaging with and updating the Central Equine Database.
- Sudden collapse in the equine leisure market (as a result of an outbreak of foot and mouth or an Exotic Equine Disease) – this is a risk the charity cannot mitigate against, however, the charity is developing an action plan to implement should such an event happen.
- Severe economic downturn leading to loss of income – the charity monitors cash flow and expenditure against budgets on a monthly basis to ensure unnecessary costs are not incurred.
- The knock on effect and repercussions following the UK's exit from the European Union – the Society is maintaining contact with the Welsh and UK governments and communicating with key stakeholders.
- The huge impact of inflation and the cost of living on members and the real threat that their equine interests will have to be curtailed obviously affecting the income streams of the Society.

To mitigate against the above risks and other risks facing the charity the trustees conduct regular reviews of the major risks to which the charity is exposed, listing these in a Risk Register. Systems and procedures have been established to mitigate the risks that the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities and associated budgets. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety requirements relating to staff, trustees, volunteers and visitors to the Society's premises.

The Society continually reviews the procedures to ensure that they continue to meet the needs of the charity.

Plans for future periods

There are key areas of development and investment planned over the next year. The Society's business plan for 2023-2024 includes continued promotion and education on the Welsh breeds and the care and management of the horses and ponies. This is expected to be undertaken through attending specific targeted events on a national basis and distributing information and guidance, improved links with the Area Associations, and promoting online to members and non-members.

For 2022 the Society produced another two Stud Books a Journal, a Calendar and a Children's colouring book; complied with the Central Equine Database requirements to upload data daily; consulted with the membership including overseas societies and area associations; continued to review and develop new policies and procedures, including reviewing the DNA Profiling Policy, as appropriate and continued to control costs and to develop income.

It is hoped to set up a video conferencing facility at Bronaeron to facilitate the holding of online meetings in a professional manner to continue to create an inclusive platform for all members worldwide.

A CCTV system for the RWAS pavilion will be installed to prevent any bad behaviour or wrongdoing at any of our events held at the show ground.

Council will consider a building refurbishment and disabled access to the WPCS museum at Bronaeron.

We will build on the positive audit report received.

The Society will continue to develop the provision in the Welsh language.

The internet continues to be an excellent avenue for communication. The Facebook followers has increased from 52,500 in 2021 to 54,100 in 2022 a 3% increase. The total number of new users over the year was 75,867.

Structure, governance and management

The Welsh Pony and Cob Society (the Society) is a registered charity under the Charities Act 2011 (Number 222014) and a company limited by guarantee (Number 1017832). The Society is governed by its Memorandum and Articles of Association which were initially adopted on the 15 July 1971, at which date the assets and liabilities of the unincorporated Society were acquired. The Articles of Association were subsequently amended and adopted on 1 March 2008 and updated following the EGM in September 2009 followed by a further update at the AGM of 1st APRIL 2017. The last changes to the Society's Articles and Memorandum were adopted at the AGM of 11TH of December 2021.

The Council, who are the Trustees of the charity and Directors of the company, are elected from the membership of the Society at the Annual General Meeting. Council members are elected for a term of 3 years and a third of Council members normally retire each year, creating vacancies to be filled. They may, however, be re-elected for a further three-year period before being required to stand down for a term. The notice calling for nominations is required to be sent to members a minimum of 8 weeks before the AGM. All members of the Society have the right to nominate candidates and vote. The administration and counting of returned postal ballots is conducted by independent scrutineers. The President and President–Elect are also nominated and elected by the members and accepted at the Annual General Meeting. The Chair, Vice-Chair of Council and Chair of Finance and Human Resources are elected by Council members at the first meeting following the AGM each year.

The Society's structure is that of being governed by a Council of 15 members, responsible for setting the strategic direction of the organisation and the policy of the charity. Council carries the ultimate responsibility for the conduct of the Society and for ensuring that the charity satisfies its legal and contractual obligations. The Council is bound by its Memorandum and Articles of Association to meet at least twice a year. Various sub committees also meet regularly to consider the more urgent issues that arise during the year, but all decisions are ratified by the Council unless prior approval of remit and budget are given. The Council delegates the day-to-day operation of the organisation to senior management. A register of Council Members' interests is maintained at the registered office and is available to the public for review.

New Council members are provided with an introduction to the Society and their role within its governance through an induction day and a visit to the Society's office. Printed and electronic materials are made available to them at the induction and following on from that on a regular basis either by email or at Council meetings. Further information and training is provided on an on-going basis through email, at Council meetings and other externally facilitated events.

The trustees consider that the board of directors, who are also the Society's trustees and the senior management team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Society on a day-to-day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses, key management personnel and related party transactions are disclosed in the notes to the accounts.

The pay of the staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other charities of a similar size and operating in the same sector. The remuneration is bench-marked using market data which is readily available. This is actioned as long as the charity's business plan allows for the additional expenditure.

The Society is the sole shareholder of WPCS Trading Limited, a company limited by guarantee. This company ceased trading on the 30 September 2005 and is dormant.

The Society also co-operates and liaises with a number of other organisations to achieve its objectives on a broader level. It is closely associated with the Hill Pony Improvement Societies. It co-operates and collaborates with other equine and welfare related organisations, including other native breed societies through DEFRA, the Welsh Government, the National Pony Society, BHS, ILPH, the National Equine Welfare Council, HBLB, Trading Standards, World Horse Welfare, RSPCA, JMB, 826 ESA group, NASTA, and DNA Consultants.

Reference and administrative details

Charity name	The Welsh Pony and Cob Society
Charity number	222014
Company number	1017832
Registered office	Bronaeron Felinfach Lampeter Ceredigion SA48 8AG
Key management personnel	David Meirion Davies - Company Secretary Gemma Bassett-Burr - Office Manager
Trustees	Ms S J Charlton Mr D S Davies Mr R J Davies - resigned 21/05/2022 Mr D T C Evans Mr A S Everitt Mr E P J Gummery Ms E Hampson Ms D Jones Mr W Jones Ms A J Kember Mr D D Morgan Mr D O Roberts Mr D M Waters Mr J W S Welsh - resigned 21/05/2022 Ms R J R Wilson Ms T Baldwin - appointed 21/05/2022 Ms L Stephens - appointed 21/05/2022
Secretary	Mr D M Davies
President	Mr S F Franklin
President Elect	Mr I T D Price
Chair of Council	Mr D D Morgan
Vice Chair of Council	Mrs S J Charlton
Directors of subsidiary company	Miss S Hardy Mr C Thomas

Auditors	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB
Legal Advisers	Geldards 4 Capital Quarter Tyndall Street Cardiff CF10 4BZ
Investment providers	Investec Wealth and Investment Ltd 30 Gresham Street London EC2V 7QN
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP

Auditor
In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor
Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Board of Trustees.

D D Morgan

Mr D Morgan - TRUSTEE

Dated: 26 September 2023

THE WELSH PONY AND COB SOCIETY

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2022

The trustees, who are also the directors of The Welsh Pony and Cob Society 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.

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

THE WELSH PONY AND COB SOCIETY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE WELSH PONY AND COB SOCIETY

Opinion

We have audited the financial statements of The Welsh Pony and Cob Society (the 'charity') for the year ended 31 December 2022 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 December 2022 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 require 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF THE WELSH PONY AND COB SOCIETY

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 145 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.

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.

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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 auditors' 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.



Andrew Howells (Senior Statutory Auditor)
for and on behalf of Azets Audit Services

27 September 2023

Chartered Accountants
Statutory Auditor

Ty Derw, Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF THE WELSH PONY AND COB SOCIETY

Azets Audit Services 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.

THE WELSH PONY AND COB SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Income from:							
Donations and legacies	3	13,918	-	13,918	17,469	-	17,469
Charitable activities	4	567,000	-	567,000	573,901	2,721	576,622
Other trading activities	5	1,772	5,450	7,222	1,721	10,598	12,319
Investments	6	42,643	-	42,643	34,263	-	34,263
Total income		625,333	5,450	630,783	627,354	13,319	640,673
Expenditure on:							
Raising funds	7	17,183	1,885	19,068	3,659	15,235	18,894
Charitable activities	8	689,688	-	689,688	597,342	2,721	600,063
Total expenditure		706,871	1,885	708,756	601,001	17,956	618,957
Net gains/(losses) on investments	13	(228,683)	-	(228,683)	202,070	-	202,070
Net movement in funds		(310,221)	3,565	(306,656)	228,423	(4,637)	223,786
Fund balances at 1 January 2022		2,689,306	22,976	2,712,282	2,460,883	27,613	2,488,496
Fund balances at 31 December 2022		2,379,085	26,541	2,405,626	2,689,306	22,976	2,712,282

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE WELSH PONY AND COB SOCIETY

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Intangible assets	**15**		8,456		13,700
Tangible assets	**14**		372,893		389,286
Investments	**16**		2,096,424		2,334,389
			2,477,773		2,737,375
Current assets					
Stocks	**17**	42,488		49,075	
Debtors	**18**	9,724		13,214	
Cash at bank and in hand		66,978		94,297	
		119,190		156,586	
Creditors: amounts falling due within one year	**19**	(101,841)		(94,992)	
Net current assets			17,349		61,594
Total assets less current liabilities			2,495,122		2,798,969
Creditors: amounts falling due after more than one year	**20**		(89,496)		(86,687)
Net assets			2,405,626		2,712,282
Income funds					
Restricted funds	**25**		26,541		22,976
Unrestricted funds					
Designated funds	**24**	453,350		474,986	
General unrestricted funds		1,925,735		2,214,320	
			2,379,085		2,689,306
			2,405,626		2,712,282

THE WELSH PONY AND COB SOCIETY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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 26 September 2023

D D Morgan

Mr D D Morgan
Trustee

Company registration number 1017832

THE WELSH PONY AND COB SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash absorbed by operations	**30**		(79,244)		(26,568)
Investing activities					
Purchase of tangible fixed assets		-		(3,896)	
Purchase of investments		(434,767)		(676,619)	
Proceeds on disposal of investments		444,049		405,393	
Investment income received		42,643		34,263	
Net cash generated from/(used in) investing activities			51,925		(240,859)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(27,319)		(267,427)
Cash and cash equivalents at beginning of year			94,297		361,724
Cash and cash equivalents at end of year			66,978		94,297

1 Accounting policies

Charity information

The Welsh Pony and Cob Society is a private company limited by guarantee incorporated in England and Wales. The registered office is Bronaeron, Felinfach, Lampeter, Ceredigion, SA48 8AG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 2019)". 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 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

General funds are unrestricted funds which are available for use at the discretion of the board in furtherance of the general objectives of the society and which have not been designated for other purposes.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the society for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

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, but not recognised.

Dividends income is recognised on the date the charity's right to receive payment is established.

Trading income is recognised in the period to which the income is generated.

1 Accounting policies **(Continued)**

Income from charitable activities (excluding grants) is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

Grants are only included in the SoFA when the general income recognition criteria are met.

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services, as entitlement to the grant only occurs when the performance related conditions are met. Grants receivable are treated in different ways dependent upon their purposes and the terms of the grant.

Grants receivable for specific purposes are also treated as restricted funds so that any unused funds can be separately identified.

Grants receivable to facilitate the general running of the charity are treated as unrestricted funds.

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

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

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

Costs of raising funds comprise the costs in relation to generating income such as fundraising activities.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs. The basis for calculating the allocation of support costs was as a percentage of total staff costs attributed to each department.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

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.

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 Accounting policies **(Continued)**

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% and 5% straight line
Leasehold land and buildings	Over the life of the lease
Plant and equipment	25% and 33% straight line
Motor vehicles	20% 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.

Individual fixed assets costing £250 or more are capitalised at cost.

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.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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).

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.

The complete set of stud books used for library and reference purposes are not valued and are excluded from the Balance Sheet.

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 Accounting policies **(Continued)**

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

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.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies **(Continued)**

1.15 Reserve for future costs of life members

Life Members' subscriptions received in the period are included in income and transferred to deferred income.

The deferred income is adjusted at each accounting date for a regular amount transferred back to income dependent on the age banding of the life member.

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.

Key sources of estimation uncertainty

Life members deferred income

The charity provides life membership to members of varying ages, this requires an estimation regarding the number of years in which the income is released in the financial statements.

The income is released in the financial statements as follows:

Under 21's - over 50 years
21-40's - over 40 years
Over 40 - over 30 years
Over 60 - over 20 years

As at 31st December 2022 the amounts of income deferred totalled £96,689 (2021: £93,509), split between creditors due within one year £7,193 (2021: £6,822) and creditors due after more than one year £89,496 (2021: £86,687).

Income released in the financial statements totalled £3,180 (2021: £648).

Stock

The charity holds a large amount of stock of which some items are deemed to be obsolete and/or slow moving. A stock provision is made each year which requires an estimation as to the written down value.

During the year stock was written down by £6,587 (2021: £545).

As at 31st December 2022 the stock value contained in the financial statements totalled £42,488 (2021: £49,075).

3 Donations and legacies

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Donations and gifts	13,918	17,469
Donations and gifts		
Donations and sponsorship	5,259	14,652
Pavillion donations and income	8,659	2,817
	13,918	17,469

4 Charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Subscriptions and life members income	135,187	137,668
Journal sales and advertising	25,258	16,563
Other membership income incl insurance	1,099	350
Registration and passports	248,791	270,851
Transfers and other registration income	114,188	122,002
Promotional goods	14,498	6,218
Judging, medal and rosette income	25,979	7,249
Grants	2,000	15,721
	567,000	576,622
Analysis by fund		
Unrestricted funds	567,000	573,901
Restricted funds	-	2,721

5 Other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Young people's fund	12	-	12	-	-	-
President's fundraising and dinner	-	5,450	5,450	-	10,598	10,598
Solar panel income	1,760	-	1,760	1,721	-	1,721
Other trading activities	1,772	5,450	7,222	1,721	10,598	12,319

6 Investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Income from listed investments	41,627	32,726
Interest receivable	1,016	1,537
	42,643	34,263

7 Raising funds

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
Fundraising and publicity						
Premium awards	4,125	-	4,125	1,898	-	1,898
Donations and bursaries	9,573	-	9,573	1,761	10,310	12,071
Retiring president's dinner	3,485	1,885	5,370	-	-	-
Young people's fund	-	-	-	-	4,925	4,925
Fundraising and publicity	17,183	1,885	19,068	3,659	15,235	18,894
	17,183	1,885	19,068	3,659	15,235	18,894

8 Charitable activities

	Membership	Registration	Education & promotion	Judging & showing	Total 2022	Total 2021
	£	£	£	£	£	£
Journal costs	25,724	-	-	-	25,724	23,853
Membership costs	32,566	-	-	-	32,566	25,389
Central prefix register and stud books	322	13,790	-	-	14,112	14,456
DNA blood typing and microchips	-	42,234	-	-	42,234	39,943
Passport binding	-	617	-	-	617	637
Promotional goods and stock	-	-	13,981	-	13,981	12,134
Exhibition unit expenses	-	-	5,126	-	5,126	878
Publicity officers expenses and educational visits	-	-	28,471	-	28,471	17,592
Medals, rosettes and engraving	-	-	-	7,257	7,257	2,731
Judges conferences	-	-	-	5,168	5,168	-
Judges and showing handbook	-	-	-	6,518	6,518	-
International show costs and expenses	-	-	-	766	766	-
	58,612	56,641	47,578	19,709	182,540	137,613
Share of support costs (see note 10)	76,111	212,728	46,588	130,443	465,870	400,771
Share of governance costs (see note 10)	6,604	18,988	4,128	11,558	41,278	61,679
	141,327	288,357	98,294	161,710	689,688	600,063
Analysis by fund						
Unrestricted funds	141,327	288,357	98,294	161,710	689,688	
For the year ended 31 December 2021						
Unrestricted funds	122,094	266,182	76,850	132,216		597,342
Restricted funds	2,721	-	-	-		2,721
	124,815	266,182	76,850	132,216		600,063

9 Description of charitable activities

Membership
The members' services department deals with subscriptions, the pavilion, the internet information and the journal.

Registration
The registration department includes the activities of registration, passports, transfers, exports, central prefixing, stud books and DNA blood typing and licenses.

Education & promotion
The education and promotions department includes the premium awards, junior club and donations, together with deals which include some promotional goods, second hand books and sponsorship.

Judging & showing
The judging & showing department includes the conference and seminar meetings, together with the attendance at shows and events, medals and rosettes.

10 Support costs

	Support costs	Governance costs	2022	Support costs	Governance costs	2021
	£	£	£	£	£	£
Staff costs	264,334	-	264,334	200,733	-	200,733
Depreciation	21,636	-	21,636	25,158	-	25,158
Other staff costs	2,636	-	2,636	942	-	942
Postage and stationery	41,225	-	41,225	52,161	-	52,161
Computer costs	22,895	-	22,895	21,954	-	21,954
Equipment rental	11,458	-	11,458	13,659	-	13,659
Repairs, renewals and sundry	31,230	-	31,230	20,731	-	20,731
Rates and utilities	18,898	-	18,898	8,031	-	8,031
Insurance	11,530	-	11,530	10,254	-	10,254
Travel and subsistence	851	-	851	961	-	961
Telephone	19,862	-	19,862	21,334	-	21,334
Bank charges, investment and other costs	19,315	-	19,315	24,853	-	24,853
Audit fees	-	13,250	13,250	-	11,000	11,000
Accountancy fees	-	1,500	1,500	-	1,295	1,295
Legal and professional fees	-	10,958	10,958	-	36,653	36,653
AGM expenses	-	6,752	6,752	-	10,647	10,647
Council expenses and training	-	8,818	8,818	-	2,084	2,084
	465,870	41,278	507,148	400,771	61,679	462,450
Analysed between						
Charitable activities	465,870	41,278	507,148	400,771	61,679	462,450

11 Trustees

No trustees received any remuneration during the current or prior year.

A total of £7,908 (2021: £1,637) was incurred in relation to travel, subsistence and accommodation expenses.

In 2022 ten trustees A Kember, D Jones, E Hampson, R Wilson, S Charlton, D Roberts, W Jones, L Stephens, E Gummery, A Everitt claimed expenses (2021: five trustees A Kember, D Jones, E Hampson, R Wilson and S Charlton).

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Office staff	12	10

Employment costs	2022 £	2021 £
Wages and salaries	242,866	184,237
Social security costs	13,039	9,934
Other pension costs	8,429	6,562
	264,334	200,733

Key management personnel

The key management personnel as detailed in the trustees report (2) received benefits (including gross salary, employers national insurance and employers pension contributions) totalling £92,691 (2021: £74,648).

Employees earning > £60k

There were no employees whose annual remuneration was £60,000 or more.

13 Net gains/(losses) on investments

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Revaluation of investments	(228,683)	202,070

14 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2022	468,805	95,614	320,859	17,500	902,778
At 31 December 2022	468,805	95,614	320,859	17,500	902,778
Depreciation and impairment					
At 1 January 2022	107,801	77,982	315,657	12,053	513,493
Depreciation charged in the year	10,032	2,604	2,664	1,092	16,392
At 31 December 2022	117,833	80,586	318,321	13,145	529,885
Carrying amount					
At 31 December 2022	350,972	15,028	2,538	4,355	372,893
At 31 December 2021	361,004	17,632	5,203	5,447	389,286

15 Intangible fixed assets

	Software
	£
Cost	
At 1 January 2022 and 31 December 2022	26,245
Amortisation and impairment	
At 1 January 2022	12,545
Amortisation charged for the year	5,244
At 31 December 2022	17,789
Carrying amount	
At 31 December 2022	8,456
At 31 December 2021	13,700

16 Fixed asset investments

16 Fixed asset investments **(Continued)**

	Listed investments	Cash in portfolio	Other investments	Total
	£			£
Cost or valuation				
At 1 January 2022	2,291,182	43,205	2	2,334,389
Additions	434,767	-	-	434,767
Valuation changes	(228,683)	-	-	(228,683)
Cash movement	-	1,544	-	1,544
Disposals	(445,593)	-	-	(445,593)
At 31 December 2022	2,051,673	44,749	2	2,096,424
Carrying amount				
At 31 December 2022	2,051,673	44,749	2	2,096,424
At 31 December 2021	2,291,182	43,205	2	2,334,389

16 Fixed asset investments (Continued)

	Notes	2022 £	2021 £
Other investments comprise:			
Investments in subsidiaries	29	2	2

17 Stocks

	2022 £	2021 £
Finished goods and goods for resale	42,488	49,075

18 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Other debtors	9,724	13,214

19 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other taxation and social security		4,885	4,048
Deferred income	23	15,344	24,126
Trade creditors		50,020	41,982
Accruals and deferred income		31,592	24,836
		101,841	94,992

20 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Deferred income	23	89,496	86,687

21 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	2,051,673	2,291,182

22 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £8,429 (2021: £6,562). The amount outstanding at the year end was £nil (2021: £nil).

23 Deferred income

	2022	2021
	£	£
Arising from membership subscriptions and journal sales	104,840	110,813

Deferred income comprises journal sales and membership subscriptions which relate to the 2022 financial year.

Deferred income also includes life members' subscriptions.

Deferred income is included in the financial statements as follows:

	2022	2021
	£	£
Balance brought forward	110,813	113,162
Income received in the year	174,302	158,688
Released to income	(180,275)	(161,037)
Balance carried forward	104,840	110,813

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2021	Resources expended	Transfers	Balance at 1 January 2022	Resources expended	Balance at 31 December 2022
	£	£	£	£	£	£
Educational bursary	2,000	-	-	2,000	-	2,000
IT development	20,000	-	-	20,000	-	20,000
Legal costs	30,000	-	-	30,000	-	30,000
Capital expenditure	15,000	-	-	15,000	-	15,000
Training	5,000	-	-	5,000	-	5,000
Fixed asset fund	424,248	(25,158)	3,896	402,986	(21,636)	381,350
	496,248	(25,158)	3,896	474,986	(21,636)	453,350

Educational bursary
Relates to monies designated to provide educational bursaries. The remaining balance will be expended in future periods.

IT development
Relates to future costs regarding the redesign and update of the charity's new IT system.

Miss Thelma Carter legacy
Relates to legacy income that the society was notified of in 2019. These funds were invested in the charity's investment portfolio in 2020.

Legal costs
Relates to future costs regarding ongoing legal advice.

Capital expenditure
Relates to future capital costs to be incurred towards work at Bronaeron site.

Training
Relates to future costs regarding training, the remaining balance will be expended in future periods.

Fixed asset fund
This represents the net book value of the charity's fixed and intangible assets.

25 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds			Movement in funds		
	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 1 January 2022	Incoming resources	Resources expended	Balance at 31 December 2022
	£	£	£	£	£	£	£
Miss Broderick Memorial Fund	932	-	-	932	-	-	932
Young People's Account Fund	17,190	-	(4,925)	12,265	-	-	12,265
Presidents Fund	3,542	10,598	(10,310)	3,830	5,450	(1,885)	7,395
International show	5,949	-	-	5,949	-	-	5,949
Coronavirus Job Retention Scheme	-	2,721	(2,721)	-	-	-	-
	27,613	13,319	(17,956)	22,976	5,450	(1,885)	26,541

Miss Broderick Memorial Fund
A fund set up in memory of Miss Broderick in order to cover costs of providing a replica trophy and engraving costs for the Miss Broderick Memorial Prize.

Young People's Account Fund
Money kept in reserve arising from the young people's fundraising activities, and which is to be used for their purposes as instructed.

President's Fund
The President's fundraising income is being held in a restricted reserve with any income in excess of expenditure being donated to charity during the 2022 financial year.

International show
Money kept in reserve to cover a potential donation to the International Show 2022 and the funding of the international rosettes for 2022.

Coronavirus Job Retention Scheme
Funding to support wages costs during the Covid-19 pandemic.

26 Analysis of net assets between funds

	Unrestricted 2022	**Designated 2022**	**Restricted 2022**	**Total 2022**	Unrestricted 2021	Designated 2021	Restricted 2021	Total 2021
	£	**£**	**£**	**£**	£	£	£	£
Fund balances at 31 December 2022 are represented by:								
Intangible fixed assets	-	8,456	-	8,456	-	13,700	-	13,700
Tangible assets	-	372,893	-	372,893	-	389,286	-	389,286
Investments	2,024,424	72,000	-	2,096,424	2,262,389	72,000	-	2,334,389
Current assets/(liabilities)	(9,192)	-	26,541	17,349	38,618	-	22,976	61,594
Long term liabilities	(89,496)	-	-	(89,496)	(86,687)	-	-	(86,687)
	1,925,736	453,349	26,541	2,405,626	2,214,320	474,986	22,976	2,712,282

27 Related party transactions

There were no disclosable related party transactions during the year (2021- none).

Included within the Trustees Report are details of related party relationships regarding the society's dormant trading subsidiary and other organisations the society works with to achieve its objectives.

28 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	22,413	32,358
Between two and five years	89,651	104,996
In over five years	73,181	75,178
	185,245	212,532

The charity classifies the lease of a photocopier, franking machine and rental of a building as operating leases. Rental charges are charged on a straight line basis over the term of the lease.

29 Subsidiaries

These financial statements are separate charity financial statements for The Welsh Pony and Cob Society Limited.

Consolidated financial statements have not been prepared due to the trading subsidiary being dormant.

Details of the charity's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
WPCS Trading Ltd	United Kingdom	Dormant	Ordinary Shares	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
WPCS Trading Ltd	-	2

The company number for the trading company is 02946610.

The investment in the subsidiary is stated at cost.

30	**Cash generated from operations**	**2022**	**2021**
		£	**£**
	(Deficit)/surpus for the year	(306,656)	223,786
	Adjustments for:		
	Investment income recognised in statement of financial activities	(42,643)	(34,263)
	Fair value gains and losses on investments	228,683	(202,070)
	Amortisation and impairment of intangible assets	5,244	5,249
	Depreciation and impairment of tangible fixed assets	16,392	19,909
	Movements in working capital:		
	Decrease/(increase) in stocks	6,587	(595)
	Decrease/(increase) in debtors	3,490	(8,338)
	Increase/(decrease) in creditors	15,632	(27,897)
	(Decrease) in deferred income	(5,973)	(2,349)
	Cash absorbed by operations	(79,244)	(26,568)

31 Analysis of changes in net funds

The charity had no debt during the year.

WELSH PONY AND COB SOCIETY

England & Wales - Charity number 222014

Accounts

Charity Registration No. 222014

Company Registration No. 1017832 (England and Wales)

THE WELSH PONY AND COB SOCIETY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

THE WELSH PONY AND COB SOCIETY

CONTENTS

	Page
Trustees report	1 - 10
Statement of trustees responsibilities	11
Independent auditor's report	12 - 15
Statement of financial activities	16
Balance sheet	17 - 18
Statement of cash flows	19
Notes to the financial statements	20 - 39

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees present their report and financial statements for the year ended 31 December 2021.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 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 2019)".

Objectives and activities

The objectives of the Society are to encourage the breeding, improvement and integrity of the Welsh Breeds of horses and ponies; advance public education of management of the Welsh Breeds; to prevent cruelty to horses and ponies; to provide and assist in provision for public benefit, facilities for recreation and other leisure time through use of horses but confined to facilities provided in the interests of social welfare. In order to further these aims the Society undertakes a number of core activities.

The Society is obliged to compile and publish stud books of registered pure and part-bred Welsh Ponies and Cobs, which is done on a regular basis. In recent years, this has been combined with its role as a Passport Issuing Organisation (PIO) and registration of equines is through its comprehensive registration processes.

Information and assistance is provided to members and non-members in person, via telephone, email, and the website. In addition, members receive an annual Journal. The Society also publishes a variety of literature on the Welsh Breed and provides a website that is accessible to members and non-members, with an active Facebook page.

The Society has a programme of grants to provide direct financial assistance to members of other voluntary groups working with similar objectives. It also administers a bursary scheme for young individuals pursuing qualifications within the equine world. The awards are formally reviewed annually by Council to ensure that it continues to meet those needs.

The Society also has an equine welfare advice and guidance scheme in place.

The aims of the charity are detailed below:

- To encourage the breeding and improvement of horses and ponies more especially those of the Welsh Breeds.
- To advance public education in all districts and counties in the various arts and sciences connected with the use and management of horses and ponies in general and in particular of the Welsh Mountain Pony, the Welsh Pony, the Welsh Pony (Cob Type) and the Welsh Cob and their Part-breds.
- To provide or assist in the provision for the public benefit, of facilities for recreation or other leisure time occupation, through the use of horses and ponies, but confined to facilities provided in the interests of social welfare.
- To prevent cruelty to and promote the welfare of horses and ponies.

The charity's strategies for achieving its stated aims and objectives is to:

- Ensure workforce development and structured line management is in place.
- Ensure trustees undergo regular appraisals and development plans are put in place.
- Ensure work-plans for Council and Standing Committees are in place.

The charity measures its success in the reporting period using a number of assessments such as:

- Ensuring that the officer reports to Council and the Standing Committees on a regular basis.
- Reports from working groups and delegates are produced and reviewed.
- Quality assurance techniques of random sampling and benchmarking.
- Comparing evidence-based achievements against work plans.
- Consultations with trustees, staff, volunteers and members.
- Logging, analysis and reporting of comments and feedback.

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'when reviewing our aims and objectives and in planning our future activities. Trustees were provided with copies of the revised publications relating to public benefit. Trustees consider how planned activities will contribute to the aims and objectives they have set.

Public benefits applicable to the charity's activities include:

- the advancement of education through the provision of Educational Visits to colleges.
- the award of educational bursaries and the production of information and publications on the Welsh breeds.
- the advancement of the arts, culture, heritage or science through the preservation and promotion of the semi-feral hill ponies and the Welsh breeds in general, these being an important part of the heritage of Wales.
- the advancement of amateur sport through the establishment of medal and rosette schemes, support of young handler competitions, staging of performance shows and awards, the provision of judges panels and young judges' competitions.
- the advancement of environmental protection or improvement through the support provided by the premium grant schemes awarded to semi-feral hill ponies who are essential for the conservation of the natural habitat of Wales.
- the advancement of animal welfare through the publication of a code of welfare, a guide to purchasing and caring for Welsh Ponies and Cobs, a care and management booklet and other publications that provide welfare guidelines and advice.

The significant activities undertaken by the charity which contribute to its stated aims and objectives are:

Education and Welfare – fostering and encouraging the acquisition of knowledge and dissemination of best practise regarding the management and welfare of ponies, cobs, part-bred and equine in general; publicising and communicating the education and welfare by all means possible.

Members Services – The development and growth of membership to the Society, maintaining the integrity of the Welsh Stud Book and Overseas Register. Production of an annual Stud Book and. Supervision of Young People's Committee activities. Organising and appointing Young Ambassador Elect and Young Achiever on an annual basis.

Promotions – raising the profile of equines and ensuring that legislators and regulators are aware of what the Society is thinking, providing a media approach in relation to equine across all media outlets, and informing the public as to what the Society is developing.

Judging and showing – judges assessment and conferences, ensuring judges uphold the integrity and good standing of the Society and exploring their continuing professional development, providing a clear written rule book each year.

Members of the Society served as trustees. Due to the impact of Covid the annual points competitions were postponed, as were the Performance show, the Young Judges competition, and the Judges' Assessment Day. The Office wrote articles for the press and published events, the Society investigated welfare cases, advised on veterinary issues with the assistance of the Society's Hon Veterinary Officer Mr Rowland Michell MRCVS, supported affiliated shows and acted as judges and stewards, acted as inspectors for the Society's breed improvement schemes and represented the Society at other equine organisations and events.

The Society is both dependent on and appreciative of the work of so many volunteers who give freely of their time to advance the interests of Welsh breeds. Trustees are aware that voluntary work is not always appreciated and would like to thank members up and down the country who have generously given their time on behalf of the Society.

Achievements and performance

A Review of 2021 in the wake of the effects of the Covid 19 Pandemic
The effect of the Covid pandemic continued to affect the Society and its members in many ways. Initially it affected the proposed AGM (carried over from 2020) which was eventually held online in March of 2021; this then meant that the 2021 AGM was held in early December 2021 as the effect of the virus and the restrictions put in place put paid to large gatherings until very late in the year. Whilst in England some shows did take place, in Wales they were few and far between - the highlights being the Royal Welsh Agricultural Society's Autumn Show, Pembrokeshire County show and the Royal Welsh Winter Fair.

The Office continued to be fully functional throughout the year, even during the lockdowns, as the passport issuing responsibility had to be maintained on welfare grounds to enable the movement of stock put in place, the regulatory measures furloughing staff who were vulnerable and asking others to work remotely from home. Plans and practices were put in place to ensure business continuity and the safety of the employees.

From a tradition of monthly face to face gatherings in Council and subcommittee meetings, Trustees continued their digital presence holding meeting successfully online. This ensured good governance and the lack of need to travel meant it was possible to convene meetings and discussions at very little notice. This has ensured the smooth running of the Society's activity for the members and public benefit.

In much the same way the Society's core activities out in the field suffered greatly with the cancellation – the diminished showing season of events negatively affected the income stream from affiliations and the sale of Society medals. These third-party events are beyond the control of the Society but are the bedrock on which the breeds promote their uniqueness.

The Society's remit to provide sales for the membership to sell their stock as listed in the Articles of Association could well have been another casualty. However, the Council and its Sales sub-committee forged ahead and engaged by legal tender an Auctioneer to host the Official sale. With new Official auctioneers in place – McCartneys a two-day sale and gelding show was held at the Royal Welsh showground in Builth Wells. With a buoyant trade and an extremely high clearance rate the resultant incomes to the Society were considerably more than that of the previous traditional sales, due to a favourable agreement which protects the Society's position. Whilst providing a service which is ultimately for the benefit of members the continuing effectiveness of the registration 'window' system with price increases to encourage a more constant flow of registrations has benefited the Society's performance. These initiatives have contributed to the Society's funds in the face of adversity.

Grants were secured from the County Councils in regard to Covid support. However, the museum has remained closed during the period. New lines of merchandise – with shorter runs was introduced showing clear profit margins and no major numbers of stock carried over.

The adoption of a 'no spend attitude if possible' and squeezing the best deal principle when renegotiating contracts and bulk buying to ensure savings on the little things - envelopes, tamperproof paper and passport making components have all contributed to the Society's performance.

Again, no commitments were made with planned events and venue bookings, given how the pandemic continued to cast a shadow over organised events. This avoided cancellation fees and wasted publicity costs. The AGM held at Llandrindod Wells Pavilion Mid Wales in December was at a fraction of the cost of the usual large hotel venues used.

The successive lockdowns meant that staff had to be resilient – it has been a long hard year with little respite. The transfer of equines continues apace however, many animals are not transferred within the 30 days from sale window which is against the law. The Society suffered the loss of some numbers due to the Brexit effect on passporting animals from within the EU, however, the alternative OR registrations offer overseas breeders a lifeline to the Welsh stud book. The initial uptake has been slow but consistent and the hope is that many more will follow suit as the Society moves forwards and the new order of passporting in the country of domicile develops to be the norm.

The financial uncertainty of the post Brexit post Covid scenario did not result in a drop in the number of registrations and subsequent income for 2021, however, time will tell if breeders resilience and optimism will prevail.

Given that the Society has performed well in this second year of the pandemic, we feel confident that as Trustees the Society's position and attitude facing 2022 is one of cautious optimism.

One worry is the potential 'drift' away of those members and exhibitors who, by not being active in the showing or breeding spheres during the pandemic, may well find less costly, and therefore more appealing activities to pursue. This is an issue incoming Councils will have to address, not only for the Society's funding but also from the cultural aspect to ensure that there are committed breeders and enthusiasts for the future.

The continuous improvement of the Society's administration is on-going, as evidenced in cost reductions in administrative and backroom areas, and in compliance with the Minimum Operating Standards for UK Passport Issuing Offices and to produce passports within 20 working days, and to update passports within 10 working days. Every registration form which did not have errors or queries regarding ownership, etc was processed before the end of the year, which is a huge improvement on the last three years and the Society would like to commend its membership for their efforts in rectifying the problem. However, the policy of returning incorrect or incomplete forms has paid off. 19% of all forms received were returned to the breeder at least once – some more than one time, which is a high figure and a target for 2022 is to bring this percentage down

Two more Stud books were produced which brings the Society to the year 2018 with Volume 100 which was printed and bound with a gold cover to mark the milestone. To mark 120 years of the Society in the autumn every member received a free gold lapel badge, which was well received as a thank you for their support,

Resources have been allocated to address issues concerning Education and Welfare for members and non-members, and to include in particular the younger people. In order to reach a wider audience using social media, the Society has been very proactive in its rate of postings.

The Society's Breed & Welfare leaflets are also readily available from the office. Overseas associations can request the supply of translated breed leaflets for issue in their country. The Society's website hosts an Education and Welfare page that provides a video link and information in this area.

The Society met with the Area Associations on the morning of the 2021 AGM and intends to hold six monthly meetings again in 2022. This meeting also enables communication from its members and non-members across the UK to reach the governing board. Members' opinion and feedback is helpful to guiding council, and trustees will continue to consult with members on a regular basis.

The Society continues work with the Hill Pony Improvement Societies on DNA profiling and a successful derogation day was held in December at Brecon market. This was identified as an area for promotion to raise the profile of the hill ponies within the breed. This provides invaluable genetic information for the Welsh Breed and will be an asset for future generations to reference.

The Society has reviewed the Judging & Showing Handbook and updated policies and procedures. This is to be made available on the Society's website to encourage fuller understanding of rules and maintain judging and showing standards. This Judging and Showing Handbook works to ensure the preservation and improvement of judging standards. During 2022 the Young Judges Competition in August and the Judges Conference in September are planned, as well as a Judges assessment of potential Judges for the Society's Panel of Judges.

The promotion of the Welsh breeds has been widespread, through the medals and rosettes awarded at shows and events throughout the country. The Society's Exhibition Unit was SORND as there were so few events held to visit.

The Society's journal is the envy of other equestrian organisations, however, like many printed media, it is faced by rising printing and postage costs and continuing decline in advertising revenue as a result of members investing in their own websites and creating social media profiles. Council remains committed to the production of an annual journal and will ensure the most effective use of resources during 2022. The last two years of production have been a triumph as so many pages of content were unavailable to the Journal committee as so few events were held. The inclusion of many new authors has given the green book a new voice and appeal. The positive feedback from members stands as testament to its appeal and popularity. The challenge for 2022 will be to rekindle the interest of advertisers.

Educational bursaries were again available in 2022 but due to the pandemic none were requested or awarded. The services provided by the Society are not restricted and are widely available to the public, without discrimination.

Of the objectives set, the charity has achieved the following during the year:

- Production of a top-quality Journal for 2021, evidencing and demonstrating the achievements of horse owners during the past year and thereby promoting the breeding and improvement of horses, advancing public education in the use and management of horses and ponies, and encouraging the provision of public benefit by advertising the results and achievements of shows, events and riders.
- The introduction of a revised DNA testing policy, promoting the breeding and improvement of horses by maintaining the integrity of the stock book, raising the standard of animals, and creating a focus on a smaller, high quality breeding pool and contributing to the welfare of animals by lessening the availability of cheaper stock. This will be rolled out during 2022.
- The Education & Welfare video, highlighting dangers of Equine Obesity and measures to discourage overly fat animals in the show ring, is available on social media.

The main fundraising event for the President's nominated charity is traditionally held at the President's AGM dinner dance; this was not possible in 2021.

The Society has a policy of investing in UK fixed interest and UK equities. The portfolio managers, Investec actively manage the funds on our behalf, buying and selling the portfolio as necessary, and to follow instructions provided by the council in line with their investment policy.

Investments are valued at mid-market prices and are split as follows:

	2021 Fair Value £	**2021 Cost £**	2020 Fair Value £	2020 Cost £
Fixed Interest	288,034	283,847	335,834	274,254
Equities	2,003,148	1,553,665	1,443,893	1,179,132
Cash held in portfolio	43,205	43,205	81,366	81,366
	2,334,387	**1,880,717**	**1,861,093**	**1,534,752**

Financial review

The Society has been operating in uncertain financial times and remained reactive to the challenges that overwhelmed some other equestrian organisations. A positive during 2021 was an increase in registration numbers although membership numbers fell slightly.

Results

	2021 Unrestricted £	2021 Restricted £	2021 Total £	2020 Unrestricted £	2020 Restricted £	2020 Total £
Income	627,354	13,319	640,673	577,828	14,779	592,607
Expenditure	(601,001)	(17,956)	(618,957)	(503,827)	(7,674)	(511,501)
Operating results incl legacy	**26,353**	**(4,637)**	**21,716**	**74,001**	**7,105**	**81,106**
Operating results excl legacy	**26,353**	**(4,637)**	**21,716**	**70,887**	**7,105**	**77,813**
Investment movements	202,070	-	202,070	29,461	-	29,461
Net movement	**228,423**	**(4,637)**	**223,786**	**103,462**	**7,105**	**110,567**

The Society is keeping a close watch on both income and expenditure going forward. The Society is seeking to increase its income from membership, from the passport issuing office and from promotional and trading goods whilst exploring other income streams. Online payment of memberships and other services, such as registrations, transfers and stallion licence fees continue to be popular with members.

This reserves policy seeks to address the charity's future needs in relation to its reserves and to satisfy Charity Commission requirements for charities to adopt comprehensive reserves policies. The Council has established a financial planning process whereby when agreeing the annual operational budget during the autumn of the preceding year, and with the aim of balancing the operational budget, larger capital or revenue items will be funded out of its reserves. As of the end of December 2021 the free reserves stand at £2,214,320 (2020: £1,964,635). The total designated funds at 31 December 2021 stand at £474,986 (2020: £496,248) see the notes to the financial statements for detailed analysis.

The Council has examined the charity's requirements for reserves in light of the main risks to the organisation and the cost of projected future projects. The main risks are identified as external events beyond the Society's influence, including the decision of the UK to leave the European Union and the implementation of a central equine database by the Welsh Government. Future projects will include a new website, a new boiler system and a new IT system

The Council recognises that it should not be retaining income funds that should be paid out in the fulfilment of its charitable objectives. The Council undertakes to:

- Review the reserves position annually
- Review the investments position annually
- Forecast its income and the reliability of each income source
- Forecast its expenditure on the basis of planned activities and their associated costs
- Consider future needs and opportunities, for example expansion possibilities
- Consider various scenarios, for example, what if there was a change in government policy affecting their area of operations.

The Society's principal funding sources are derived from income through membership subscriptions, grants and sponsorships; and they receive regular monthly income from registration and associated business. The Society has invested amounts with its investment portfolio managers whilst retaining a prudent amount in the bank deposits. Trustees continue to invest in fixed interest/short term deposits and medium to low risk investments and are advised by duly appointed investment portfolio managers.

The trustees have identified the following significant risks affecting the Society:

- Loss of passport issuing office (PIO) status leading to decreased income – at present there are no proposals by DEFRA to change the passport issuing process, however, the charity ensures it keeps abreast of all proposed changes by attending meetings and actively engaging in the Central Equine Database.
- Sudden collapse in the equine leisure market (as a result of an outbreak of foot and mouth or an Exotic Equine Disease) – this is a risk the charity cannot mitigate against, however, the charity is developing an action plan to implement should such an event happen.
- Severe economic downturn leading to loss of income – the charity monitors cash flow and expenditure against budgets on a monthly basis to ensure unnecessary costs are not incurred.
- The UK exit from the European Union – the Society is maintaining contact with the Welsh and UK governments and communicating with key stakeholders.

To mitigate against the above risks and other risks facing the charity the trustees conduct regular reviews of the major risks to which the charity is exposed, listing these in a Risk Register. Systems and procedures have been established to mitigate the risks that the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities and associated budgets. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. The trustees monitor risks that have become issues in an Issues Log, assigning the roles of action owners and action takers to specific trustees and staff in order to reduce the impact upon the Society. Procedures are in place to ensure compliance with health and safety requirements relating to staff, trustees, volunteers and visitors to the Society's premises.

The Society continually reviews the procedures to ensure that they continue to meet the needs of the charity.

Plans for future periods

There are key areas of development and investment planned over the next year. The Society's business plan for 2022-2023 includes continued promotion and education on the Welsh breeds and the care and management of the horses and ponies. This is expected to be undertaken through attending shows and events on a national basis and distributing information and guidance, improved links with the Area Associations, and promoting online to members and non-members.

In 2021 the Society produced two Stud Books a Journal, a Calendar and a Children's colouring book; complied with the Central Equine Database; consulted with the membership including overseas societies and area associations; continue to review and develop new policies and procedures, including reviewing the DNA Profiling Policy, as appropriate; and continue to control costs and to develop income.

The internet continues to be an excellent avenue for communication. The Facebook page had over 50,600 "likes" and over 52,500 "followers" both figures are on an upward trend. The main demographic visiting the page being female.

Structure, governance and management

The Welsh Pony and Cob Society (the Society) is a registered charity under the Charities Act 2011 (Number 222014) and a company limited by guarantee (Number 1017832). The Society is governed by its Memorandum and Articles of Association which were initially adopted on the 15 July 1971, at which date the assets and liabilities of the unincorporated Society were acquired. The Articles of Association were subsequently amended and adopted on 1 March 2008 and updated following the EGM in September 2009. The last changes to the Society's Articles and Memorandum were adopted at the AGM of 1 April 2017.

The Council, who are the Trustees of the charity and Directors of the company, are elected from the membership of the Society at the Annual General Meeting. Council members are elected for a term of 3 years and a third of Council members normally retire each year, creating vacancies to be filled. They may, however, be re-elected for a further three-year period before being required to stand down for a term. The notice calling for nominations is required to be sent to members a minimum of 8 weeks before the AGM. All members of the Society have the right to nominate candidates and vote. The administration and counting of returned postal ballots is conducted by independent scrutineers. The President and President–Elect are also nominated and elected by the members and accepted at the Annual General Meeting. The Chair, Vice-Chair of Council and Chair of Finance and Human Resources are elected by Council members at the first meeting following the AGM each year.

The Society's structure is that of being governed by a Council of 15 members, responsible for setting the strategic direction of the organisation and the policy of the charity. Council carries the ultimate responsibility for the conduct of the Society and for ensuring that the charity satisfies its legal and contractual obligations. The Council is bound by its Memorandum and Articles of Association to meet at least twice a year. Various sub committees also meet regularly to consider the more urgent issues that arise during the year, but all decisions are ratified by the Council unless prior approval of remit and budget are given. The Council delegates the day-to-day operation of the organisation to senior management. A register of Council Members' interests is maintained at the registered office and is available to the public for review.

New Council members are provided with an introduction to the Society and their role within its governance through an induction day and a visit to the Society's office. Printed and electronic materials are made available to them at the induction and following on from that on a regular basis either by email or at Council meetings. Further information and training is provided on an on-going basis through email, at Council meetings and other externally facilitated events.

The trustees consider that the board of directors, who are also the Society's trustees and the senior management team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Society on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses, key management personnel and related party transactions are disclosed in the notes to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other charities of a similar size and operating in the same sector. The remuneration is bench-marked using market data which is readily available. This is actioned as long as the charity's business plan allows for the additional expenditure.

The Society is the sole shareholder of WPCS Trading Limited, a company limited by guarantee. This company ceased trading on the 30 September 2005.

The Society also co-operates and liaises with a number of other organisations to achieve its objectives on a broader level. It is closely associated with the Hill Pony Improvement Societies. It co-operates and collaborates with other equine and welfare related organisations, including other native breed societies through DEFRA, the Welsh Government, the National Pony Society, BHS, ILPH, the National Equine Welfare Council, HBLB, Trading Standards, World Horse Welfare, RSPCA, JMB, 826 ESA group, and NASTA, and DNA Consultants.

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

Reference and administrative details

Charity name	The Welsh Pony and Cob Society
Charity number	222014
Company number	1017832
Registered office	Bronaeron Felinfach Lampeter Ceredigion SA48 8AG
Key management personnel	David Meirion Davies - Company Secretary Gemma Bassett-Burr - Office Manager
Trustees	Ms S J Charlton Mr D S Davies - appointed 27/3/21 Mr R J Davies Mr D T C Evans - appointed 11/12/21 Mr A S Everitt - appointed 11/12/21 Mr E P J Gummery - appointed 11/12/21 Ms E Hampson Ms D Jones Mr W Jones Ms A J Kember - appointed 27/3/21 Mr D D Morgan Mr D O Roberts Mr D M Waters - appointed 11/12/21 Mr J W S Welsh Ms R J R Wilson - appointed 27/3/21 Mr J E Evans- resigned 11/12/21 Mr C Thomas- resigned 11/12/21 Miss D Chambers - resigned 17/2/21 Mr W G Davies- resigned 27/3/21 Mr G D J Jones- resigned 27/12/21
Secretary	Mr D M Davies
President	Mr S F Franklin
President Elect	Mr I T D Price
Chair of Council	Mr D D Morgan
Vice Chair of Council	Mrs S J Charlton
Directors of subsidiary company	Miss S Hardy Mr C Thomas

Auditors	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB
Legal Advisers	Geldards 4 Capital Quarter Tyndall Street Cardiff CF10 4BZ
Investment providers	Investec Wealth and Investment Ltd 30 Gresham Street London EC2V 7QN
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Board of Trustees.

D D Morgan

.....

Mr D Morgan

Dated: 12-5-2022

THE WELSH PONY AND COB SOCIETY

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2021

The trustees, who are also the directors of The Welsh Pony and Cob Society 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; 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.

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

THE WELSH PONY AND COB SOCIETY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE WELSH PONY AND COB SOCIETY

Opinion

We have audited the financial statements of The Welsh Pony and Cob Society (the 'charity') for the year ended 31 December 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 December 2021 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE TRUSTEES OF THE WELSH PONY AND COB SOCIETY

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 require 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.

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 145 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.

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.

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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 auditors' 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.

Azets Audit Services

12-05-2022

Azets Audit Services

Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
United Kingdom
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

THE WELSH PONY AND COB SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Income from:							
Donations and legacies	3	17,469	-	17,469	3,341	-	3,341
Charitable activities	4	573,901	2,721	576,622	547,766	7,414	555,180
Other trading activities	5	1,721	10,598	12,319	2,048	7,365	9,413
Investments	6	34,263	-	34,263	24,673	-	24,673
Total income		627,354	13,319	640,673	577,828	14,779	592,607
Expenditure on:							
Raising funds	7	3,659	15,235	18,894	3,210	260	3,470
Charitable activities	9	597,342	2,721	600,063	500,617	7,414	508,031
Total resources expended		601,001	17,956	618,957	503,827	7,674	511,501
Net gains/(losses) on investments		202,070	-	202,070	29,461	-	29,461
Net movement in funds		228,423	(4,637)	223,786	103,462	7,105	110,567
Fund balances at 1 January 2021		2,460,883	27,613	2,488,496	2,357,421	20,508	2,377,929
Fund balances at 31 December 2021		2,689,306	22,976	2,712,282	2,460,883	27,613	2,488,496

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE WELSH PONY AND COB SOCIETY

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	**14**		13,700		18,949
Tangible assets	**13**		389,286		405,299
Investments	**15**		2,334,389		1,861,093
			2,737,375		2,285,341
Current assets					
Stocks	**17**	49,075		48,480	
Debtors	**18**	13,214		4,876	
Cash at bank and in hand		94,297		361,724	
		156,586		415,080	
Creditors: amounts falling due within one year	**19**	(94,992)		(124,351)	
Net current assets			61,594		290,729
Total assets less current liabilities			2,798,969		2,576,070
Creditors: amounts falling due after more than one year	**20**		(86,687)		(87,574)
Net assets			2,712,282		2,488,496
Income funds					
Restricted funds	**23**		22,976		27,613
Unrestricted funds					
Designated funds	**24**	474,986		496,248	
General unrestricted funds		2,214,320		1,964,635	
			2,689,306		2,460,883
			2,712,282		2,488,496

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2021, although an audit has been carried out under section 145 of the Charities Act 2011.

The trustees responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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 12-05-2022

D D Morgan

.....

Mr D Morgan
Trustee

Company Registration No. 1017832

THE WELSH PONY AND COB SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	29		(26,568)		665,634
Investing activities					
Purchase of tangible fixed assets		(3,896)		(3,873)	
Purchase of investments		(676,619)		(756,143)	
Proceeds on disposal of investments		405,393		302,211	
Investment income received		34,263		24,673	
Net cash used in investing activities			(240,859)		(433,132)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(267,427)		232,502
Cash and cash equivalents at beginning of year			361,724		129,222
Cash and cash equivalents at end of year			94,297		361,724

1 Accounting policies

Charity information

The Welsh Pony and Cob Society is a private company limited by guarantee incorporated in England and Wales. The registered office is Bronaeron, Felinfach, Lampeter, Ceredigion, SA48 8AG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 2019)". 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 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

General funds are unrestricted funds which are available for use at the discretion of the board in furtherance of the general objectives of the society and which have not been designated for other purposes.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the society for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

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.

Dividends income is recognised on the date the charity's right to receive payment is established.

Trading income is recognised in the period to which the income is generated.

1 Accounting policies **(Continued)**

Income from charitable activities (excluding grants) is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

Grants are only included in the SoFA when the general income recognition criteria are met.

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services, as entitlement to the grant only occurs when the performance related conditions are met. Grants receivable are treated in different ways dependent upon their purposes and the terms of the grant.

Grants receivable for specific purposes are also treated as restricted funds so that any unused funds can be separately identified.

Grants receivable to facilitate the general running of the charity are treated as unrestricted funds.

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

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

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

Costs of raising funds comprise the costs in relation to generating income such as fundraising activities.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs. The basis for calculating the allocation of support costs was as a percentage of total staff costs attributed to each department.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

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.

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 Accounting policies **(Continued)**

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% and 5% straight line
Leasehold land and buildings	Over the life of the lease
Plant and equipment	25% and 33% straight line
Motor vehicles	20% 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 net income/(expenditure) for the year.

Individual fixed assets costing £250 or more are capitalised at cost.

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.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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).

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.

The complete set of stud books used for library and reference purposes are not valued and are excluded from the Balance Sheet.

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 Accounting policies **(Continued)**

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

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.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies **(Continued)**

1.15 Reserve for future costs of life members

Life Members' subscriptions received in the period are included in income and transferred to deferred income.

The deferred income is adjusted at each accounting date for a regular amount transferred back to income dependent on the age banding of the life member.

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.

Key sources of estimation uncertainty

Life members deferred income

The charity provides life membership to members of varying ages, this requires an estimation regarding the number of years in which the income is released in the financial statements.

The income is released in the financial statements as follows:

Under 21's - over 50 years
21-40's - over 40 years
Over 40 - over 30 years
Over 60 - over 20 years

As at 31st December 2021 the amounts of income deferred totalled £93,509 (2020: £94,157), split between creditors due within one year £6,822 (2020: £6,583) and creditors due after more than one year £86,687 (2020: £87,574).

Income released in the financial statements totalled £648 (2020: £1,198).

Stock

The charity holds a large amount of stock of which some items are deemed to be obsolete and/or slow moving. A stock provision is made each year which requires an estimation as to the written down value.

During the year stock was written down by £545 (2020: £14,513).

As at 31st December 2021 the stock value contained in the financial statements totalled £49,075 (2020: £48,480).

3 Donations and legacies

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Donations and gifts	17,469	227
Legacies receivable	-	3,114
	17,469	3,341
Donations and gifts		
Donations and sponsorship	14,652	179
Pavillion donations and income	2,817	48
	17,469	227

4 Charitable activities

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Subscriptions and life members income	137,668	134,543
Journal sales and advertising	16,563	21,561
Other membership income incl insurance	350	630
Registration and passports	270,851	250,969
Transfers and other registration income	122,002	80,351
Promotional goods	6,218	4,189
Judging, medal and rosette income	7,249	15,523
Grants	15,721	47,414
	576,622	555,180
Analysis by fund		
Unrestricted funds	573,901	547,766
Restricted funds	2,721	7,414
	576,622	555,180

5 Other trading activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Internet advertising revenue	-	-	-	67	-	67
Young people's fund	-	-	-	-	4,925	4,925
Presidents fundraising and dinner	-	10,598	10,598	-	2,440	2,440
Solar panel income	1,721	-	1,721	1,981	-	1,981
Other trading activities	1,721	10,598	12,319	2,048	7,365	9,413

6 Investments

	Unrestricted funds 2021 £	Unrestricted funds 2020 £
Income from listed investments	32,726	23,185
Interest receivable	1,537	1,488
	34,263	24,673

7 Raising funds

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
Fundraising and publicity						
Premium awards	1,898	-	1,898	2,560	-	2,560
Donations and bursaries	1,761	10,310	12,071	650	-	650
Young people's fund	-	4,925	4,925	-	260	260
Fundraising and publicity	3,659	15,235	18,894	3,210	260	3,470
	3,659	15,235	18,894	3,210	260	3,470

8 Description of charitable activities

Membership

The members' services department deals with subscriptions, the pavilion, the internet information and the journal.

Registration

The registration department includes the activities of registration, passports, transfers, exports, central prefixing, stud books and DNA blood typing and licenses.

Education & promotion

The education and promotions department includes the premium awards, junior club and donations, together with deals which include some promotional goods, second hand books and sponsorship.

Judging & showing

The judging & showing department includes the conference and seminar meetings, together with the attendance at shows and events, medals and rosettes.

9 Charitable activities

	Membership	Registration	Education & promotion	Judging & showing	Total 2021	Total 2020
	£	£	£	£	£	£
Journal costs	23,853	-	-	-	23,853	18,321
Membership costs	25,389	-	-	-	25,389	20,146
Central prefix register and stud books	7	14,449	-	-	14,456	5,771
DNA blood typing and microchips	-	39,943	-	-	39,943	35,253
Passport binding	-	637	-	-	637	340
Promotional goods and stock	-	-	12,134	-	12,134	9,639
Exhibition unit expenses	-	-	878	-	878	1,263
Publicity officers expenses and educational visits	-	-	17,592	-	17,592	-
Medals, rosettes and engraving	-	-	-	2,731	2,731	2,488
Judges conferences	-	-	-	-	-	47
Judges and showing handbook	-	-	-	-	-	1,089
	49,249	55,029	30,604	2,731	137,613	94,357
Share of support costs (see note 10)	65,696	182,781	40,078	112,216	400,771	369,924
Share of governance costs (see note 10)	9,870	28,372	6,168	17,269	61,679	43,750
	124,815	266,182	76,850	132,216	600,063	508,031
Analysis by fund						
Unrestricted funds	122,094	266,182	76,850	132,216	597,342	
Restricted funds	2,721	-	-	-	2,721	
	124,815	266,182	76,850	132,216	600,063	
For the year ended 31 December 2020						
Unrestricted funds	98,662	230,233	52,270	119,452		500,617
Restricted funds	7,414	-	-	-		7,414
	106,076	230,233	52,270	119,452		508,031

10 Support costs

	Support costs	Governance costs	2021	Support costs	Governance costs	2020
	£	£	£	£	£	£
Staff costs	200,733	-	200,733	194,855	-	194,855
Depreciation	25,157	-	25,157	27,172	-	27,172
Other staff costs	942	-	942	100	-	100
Postage and stationery	52,161	-	52,161	36,010	-	36,010
Computer costs	21,954	-	21,954	26,083	-	26,083
Equipment rental	13,659	-	13,659	3,910	-	3,910
Repairs, renewals and sundry	20,732	-	20,732	25,491	-	25,491
Rates and utilities	8,031	-	8,031	10,000	-	10,000
Insurance	10,254	-	10,254	7,055	-	7,055
Travel and subsistence	961	-	961	100	-	100
Telephone	21,334	-	21,334	19,662	-	19,662
Bank charges, investment and other costs	24,853	-	24,853	19,486	-	19,486
Audit fees	-	11,000	11,000	-	11,000	11,000
Accountancy fees	-	1,295	1,295	-	2,515	2,515
Legal and professional fees	-	36,653	36,653	-	23,939	23,939
AGM expenses	-	10,647	10,647	-	3,996	3,996
Council expenses and training	-	2,084	2,084	-	2,300	2,300
	400,771	61,679	462,450	369,924	43,750	413,674
Analysed between						
Charitable activities	400,771	61,679	462,450	369,924	43,750	413,674

11 Trustees

No trustees received any remuneration during the current or prior year.

A total of £1,637 (2020: £718) was incurred in relation to travel, subsistence and accommodation expenses.

In 2021 five trustee A Kember, D Jones, E Hampson, R Wilson and S Charlton claimed expenses (2020: one trustee E Hampson).

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Office staff	10	8

Employment costs	2021 £	2020 £
Wages and salaries	184,237	178,800
Social security costs	9,934	10,265
Other pension costs	6,562	5,790
	200,733	194,855

Key management personnel

The key management personnel as detailed in the trustees report (2) received benefits (including gross salary, employers national insurance and employers pension contributions) totalling £74,648 (2020: £74,120).

Employees earning > £60k

There were no employees whose annual remuneration was £60,000 or more.

13 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2021	468,805	95,614	316,964	17,500	898,883
Additions	-	-	3,896	-	3,896
At 31 December 2021	468,805	95,614	320,860	17,500	902,779
Depreciation and impairment					
At 1 January 2021	97,772	75,373	309,748	10,691	493,584
Depreciation charged in the year	10,029	2,609	5,909	1,362	19,909
At 31 December 2021	107,801	77,982	315,657	12,053	513,493
Carrying amount					
At 31 December 2021	361,004	17,632	5,203	5,447	389,286
At 31 December 2020	371,033	20,241	7,216	6,809	405,299

14 Intangible fixed assets

	Software
	£
Cost	
At 1 January 2021 and 31 December 2021	26,245
Amortisation and impairment	
At 1 January 2021	7,296
Amortisation charged for the year	5,249
At 31 December 2021	12,545
Carrying amount	
At 31 December 2021	13,700
At 31 December 2020	18,949

15 Fixed asset investments

15 Fixed asset investments (Continued)

	Listed investments	Cash in portfolio	Other investments	Total
	£			£
Cost or valuation				
At 1 January 2021	1,779,725	81,366	2	1,861,093
Additions	676,619	-	-	676,619
Valuation changes	202,070	-	-	202,070
Cash movement	-	(38,161)	-	(38,161)
Disposals	(367,232)	-	-	(367,232)
At 31 December 2021	2,291,182	43,205	2	2,334,389
Carrying amount				
At 31 December 2021	2,291,182	43,205	2	2,334,389
At 31 December 2020	1,779,725	81,366	2	1,861,093

15 Fixed asset investments (Continued)

Other investments comprise:	Notes	2021 £	2020 £
Investments in subsidiaries	28	2	2

16 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	2,291,182	1,779,725

17 Stocks

	2021 £	2020 £
Finished goods and goods for resale	49,075	48,480

18 Debtors

Amounts falling due within one year:	2021 £	2020 £
Other debtors	13,214	4,876

19 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Other taxation and social security		4,048	16,447
Deferred income	21	24,126	25,588
Trade creditors		41,982	42,101
Accruals and deferred income		24,836	40,215
		94,992	124,351

20 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Deferred income	21	86,687	87,574

21 Deferred income

	2021	2020
	£	£
Arising from membership subscriptions and journal sales	110,813	113,162

Deferred income comprises journal sales and membership subscriptions which relate to the 2022 financial year.

Deferred income also includes life members' subscriptions.

Deferred income is included in the financial statements as follows:

	2021	2020
	£	£
Balance brought forward	113,162	118,358
Income received in the year	158,688	157,203
Released to income	(161,037)	(162,399)
Balance carried forward	110,813	113,162

22 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £6,562 (2020: £5,790). The amount outstanding at the year end was £nil (2020: £nil).

23 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

		Movement in funds			Movement in funds		
	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 1 January 2021	Incoming resources	Resources expended	Balance at 31 December 2021
	£	£	£	£	£	£	£
Miss Broderick Memorial Fund	932	-	-	932	-	-	932
Young People's Account Fund	12,525	4,925	(260)	17,190	-	(4,925)	12,265
Presidents Fund	1,102	2,440	-	3,542	10,598	(10,310)	3,830
International show	5,949	-	-	5,949	-	-	5,949
Coronavirus Job Retention Scheme	-	7,414	(7,414)	-	2,721	(2,721)	-
	20,508	14,779	(7,674)	27,613	13,319	(17,956)	22,976

Miss Broderick Memorial Fund
A fund set up in memory of Miss Broderick in order to cover costs of providing a replica trophy and engraving costs for the Miss Broderick Memorial Prize.

Young People's Account Fund
Money kept in reserve arising from the young people's fundraising activities, and which is to be used for their purposes as instructed.

President's Fund
The President's fundraising income is being held in a restricted reserve with any income in excess of expenditure being donated to charity during the 2022 financial year.

International show
Money kept in reserve to cover a potential donation to the International Show 2022 and the funding of the international rosettes for 2022.

Coronavirus Job Retention Scheme
Funding to support wages costs during the Covid-19 pandemic.

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 January 2020	Transfers	Balance at 1 January 2021	Resources expended	Transfers	Balance at 31 December 2021
	£	£	£	£	£	£
Educational bursary	2,000	-	2,000	-	-	2,000
IT development	20,000	-	20,000	-	-	20,000
Miss Thelma Carter legacy	520,000	(520,000)	-	-	-	-
Legal costs	35,000	(5,000)	30,000	-	-	30,000
Capital expenditure	15,000	-	15,000	-	-	15,000
Training	-	5,000	5,000	-	-	5,000
Fixed asset fund	-	424,248	424,248	(25,158)	3,896	402,986
	592,000	(95,752)	496,248	(25,158)	3,896	474,986

Educational bursary
Relates to monies designated to provide educational bursaries. The remaining balance will be expended in future periods.

IT development
Relates to future costs regarding the redesign and update of the charity's new IT system.

Miss Thelma Carter legacy
Relates to legacy income that the society was notified of in 2019. These funds were invested in the charity's investment portfolio in 2020.

Legal costs
Relates to future costs regarding ongoing legal advice.

Capital expenditure
Relates to future capital costs to be incurred towards work at Bronaeron site.

Training
Relates to future costs regarding training, the remaining balance will be expended in future periods.

Fixed asset fund
This represents the net book value of the charity's fixed and intangible assets.

25 Analysis of net assets between funds

	Unrestricted 2021	**Designated 2021**	**Restricted 2021**	**Total 2021**	Unrestricted 2020	Designated 2020	Restricted 2020	Total 2020
	£	**£**	**£**	**£**	£	£	£	£
Fund balances at 31 December 2021 are represented by:								
Intangible fixed assets	-	13,700	-	13,700	-	18,949	-	18,949
Tangible assets	-	389,286	-	389,286	-	405,299	-	405,299
Investments	2,262,389	72,000	-	2,334,389	1,861,093	-	-	1,861,093
Current assets/(liabilities)	38,618	-	22,976	61,594	191,116	72,000	27,613	290,729
Long term liabilities	(86,687)	-	-	(86,687)	(87,574)	-	-	(87,574)
	2,214,320	474,986	22,976	2,712,282	1,964,635	496,248	27,613	2,488,496

26 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	32,358	25,410
Between two and five years	104,996	55,424
In over five years	75,178	13,824
	212,532	94,658

The charity classifies the lease of a photocopier, franking machine and rental of a building as operating leases. Rental charges are charged on a straight line basis over the term of the lease.

27 Related party transactions

There were no disclosable related party transactions during the year (2020- none).

Included within the Trustees Report are details of related party relationships regarding the society's dormant trading subsidiary and other organisations the society works with to achieve its objectives.

28 Subsidiaries

These financial statements are separate charity financial statements for The Welsh Pony and Cob Society Limited.

Consolidated financial statements have not been prepared due to the trading subsidiary being dormant.

Details of the charity's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
WPCS Trading Ltd	United Kingdom	Dormant	Ordinary Shares	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
WPCS Trading Ltd	-	2

28 Subsidiaries **(Continued)**

The company number for the trading company is 02946610.

The investment in the subsidiary is stated at cost.

29 Cash generated from operations

	2021	2020
	£	£
Surplus for the year	223,786	110,567
Adjustments for:		
Investment income recognised in statement of financial activities	(34,263)	(24,673)
Fair value gains and losses on investments	(202,070)	(29,461)
Amortisation and impairment of intangible assets	5,249	4,737
Depreciation and impairment of tangible fixed assets	19,908	22,435
Movements in working capital:		
(Increase)/decrease in stocks	(595)	8,204
(Increase)/decrease in debtors	(8,338)	540,560
(Decrease)/increase in creditors	(27,896)	38,461
(Decrease) in deferred income	(2,349)	(5,196)
Cash (absorbed by)/generated from operations	(26,568)	665,634

30 Analysis of changes in net funds

The charity had no debt during the year.

WELSH PONY AND COB SOCIETY

England & Wales - Charity number 222014

Accounts

Charity Registration No. 222014

Company Registration No. 1017832 (England and Wales)

THE WELSH PONY AND COB SOCIETY

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THE WELSH PONY AND COB SOCIETY

CONTENTS

	Page
Trustees report	1 - 10
Statement of trustees responsibilities	11
Independent auditor's report	12 - 14
Statement of financial activities	15
Balance sheet	16 - 17
Statement of cash flows	18
Notes to the financial statements	19 - 37

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and financial statements for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 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 2019)".

Objectives and activities

The objectives of the Society are to encourage the breeding, improvement and integrity of the Welsh Breeds of horses and ponies; advance public education of management of the Welsh Breeds; to prevent cruelty to horses and ponies; to provide and assist in provision for public benefit, facilities for recreation and other leisure time through use of horses but confined to facilities provided in the interests of social welfare. In order to further these aims the Society undertakes a number of core activities.

The Society is obliged to compile and publish stud books of registered pure and part-bred Welsh Ponies and Cobs, which is done on a regular basis. In recent years, this has been combined with its role as a Passport Issuing Organisation (PIO) and registration of equine is through its comprehensive registration processes.

Information and assistance is provided to members and non-members in person, via telephone, email, the website and fax. In addition, members receive an annual Journal. The Society also publishes a variety of literature on the Welsh Breed and provides a website that is accessible to members and non-members, with an active Facebook page and Twitter account.

The Society has a programme of grants to provide direct financial assistance to members of other voluntary groups working with similar objectives. It also administers a bursary scheme for young individuals pursuing qualifications within the equine world. The awards are formally reviewed annually by Council to ensure that it continues to meet those needs.

The Society also has an equine welfare advice and guidance scheme in place.

The aims of the charity are detailed below:

- To encourage the breeding and improvement of horses and ponies more especially those of the Welsh Breeds.
- To advance public education in all districts and counties in the various arts and sciences connected with the use and management of horses and ponies in general and in particular of the Welsh Mountain Pony, the Welsh Pony, the Welsh Pony (Cob Type) and the Welsh Cob and their Part-breeds.
- To provide or assist in the provision for the public benefit, of facilities for recreation or other leisure time occupation, through the use of horses and ponies, but confined to facilities provided in the interests of social welfare.
- To prevent cruelty to and promote the welfare of horses and ponies.

The charity's strategies for achieving its stated aims and objectives is to:

- Ensure workforce development and structured line management is in place.
- Ensure trustees undergo regular appraisals and development plans are put in place.
- Ensure work-plans for Council and Standing Committees are in place.

The charity measures its success in the reporting period using a number of assessments such as:

- Ensuring that the officer reports to Council and the Standing Committees on a regular basis.
- Reports from working groups and delegates are produced and reviewed.
- Quality assurance techniques of random sampling and benchmarking.
- Comparing evidence based achievements against work plans.
- Consultations with trustees, staff, volunteers and members.
- Logging, analysis and reporting of comments and feedback.

The trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'when reviewing our aims and objectives and in planning our future activities. Trustees were provided with copies of the revised publications relating to public benefit. Trustees consider how planned activities will contribute to the aims and objectives they have set.

Public benefits applicable to the charity's activities include:

- the advancement of education through the provision of Educational Visits to colleges.
- the award of educational bursaries and the production of information and publications on the Welsh breeds.
- the advancement of the arts, culture, heritage or science through the preservation and promotion of the semi-feral hill ponies and the Welsh breeds in general, these being an important part of the heritage of Wales.
- the advancement of amateur sport through the establishment of medal and rosette schemes, support of young handler competitions, staging of performance shows and awards, the provision of judges panels and young judges competitions.
- the advancement of environmental protection or improvement through the support provided by the premium grant schemes awarded to semi-feral hill ponies who are essential for the conservation of the natural habitat of Wales.
- the advancement of animal welfare through the publication of a code of welfare, a guide to purchasing and caring for Welsh Ponies and Cobs, a care and management booklet and other publications that provide welfare guidelines and advice.

The significant activities undertaken by the charity which contribute to its stated aims and objectives are:

Education and Welfare – fostering and encouraging the acquisition of knowledge and dissemination of best practise regarding the management and welfare of ponies, cobs, part-bred and equine in general; publicising and communicating the education and welfare by all means possible.

Members Services -The development and growth of membership to the Society, maintaining the integrity of the Welsh Stud Book and Overseas Register. Production of an annual Stud Book and 5 yearly Index. Supervision of Young People's Committee activities. Organising and appointing Young Ambassador Elect and Young Achiever on an annual basis.

Promotions – raising the profile of equines and ensuring that legislators and regulators are aware of what the Society is thinking, providing a media approach in relation to equine across all media outlets, and informing the public as to what the Society is developing.

Judging and Showing – judges assessment and conferences, ensuring judges uphold the integrity and good standing of the Society and exploring their continuing professional development, providing a clear written rule book each year.

Members of the Society served as trustees, served as directors of the Society's subsidiary WPCS Trading Limited, organised the points competition for performance animals and the Performance show, organised the Young Judges competition, organised the Judges' Assessment Day, wrote articles for the press and published events, investigated welfare cases, advised on veterinary issues with the assistance of the Society's Hon Veterinary Officer Mr Roland Michell MRCVS, organised affiliated shows and acted as judges and stewards, acted as inspectors for the Society's breed improvement schemes and represented the Society at other equine organisations and events.

The Society is both dependent on and appreciative of the work of so many volunteers who give freely of their time to advance the interests of Welsh breeds. Trustees are aware that voluntary work is not always appreciated and would like to thank members up and down the country who have generously given their time on behalf of the Society.

Achievements and performance

A Review of 2020 in the wake of the effects of the Covid 19 Pandemic

Just like the rest of the world the effect of the Covid pandemic hit the Society in many ways. Initially it affected the proposed AGM, which was immediately postponed in the hope, at the time, that the virus would soon clear and normal life would resume. Little did the Trustees and staff realise how this arresting disease would paralyse all event activity for more than a year.

The AGM was postponed for a second time from June to September and eventually after continuous dialogue with both the Charity Commission and the Society's legal advisers, was pushed on a whole year until March 2021, effectively freezing 2020.

The Office put in place the regulatory measures furloughing staff who were vulnerable and asking others to work remotely from home. To the credit of stoic staff members the Society's Passport issuing function was physically sustained when many others shut up shop. Plans and practices were put in place to ensure business continuity and the safety of the employees.

From a tradition of monthly face to face gatherings the Trustees were thrust into a digital world and embraced online meetings – much as they found them uncomfortable, they kept their eye on the ball to ensure good governance and have become quite adept at convening meetings and discussions at very little notice. This has ensured the smooth running of the Society's activity for the members and public benefit.

In much the same way the Society's core activities out in the field suffered greatly with the cancellation – in fact almost decimation of the complete showing season of events thereby haemorrhaging the income stream from affiliations and the sale of Society medals. These third party events are beyond the control of the Society but are the bedrock on which the breeds promote their uniqueness.

The Society's remit to provide sales for the membership to sell their stock as listed in the Articles of Association could well have been another casualty. However, the Council and its Sales sub-committee forged ahead and engaged by legal tender an Auctioneer to host online sales. After an initial bumpy ride with very few takers, the membership embraced the new concept and the resultant incomes to the Society were considerably more than that of the previous traditional sales from almost a third of the numbers sold in previous years. This new attack at the potential earnings to be had, whilst providing a service which is ultimately for the benefit of members, was also echoed by the introduction of a new registration 'window' system with price increases to encourage a more constant flow of registrations. Both these new initiatives have contributed to the Society's funds in the face of adversity.

Grants were effectively chased and secured from the County Councils based on the fact the Museum and Pavilion are important attractions for tourism and revenues which follow the footfall of visitors to rural areas.

Steps were taken immediately to adopt a 'no spend attitude' and a 'tighten our belt' mentality, by squeezing when renegotiating contracts and bulk buying to ensure savings on the little things - envelopes, tamperproof paper and passport making components.

No commitments were made with planned events and venue bookings, which in turn was the right decision given how the pandemic panned out. This avoided cancellation fees and wasted publicity costs.

Some novel ideas were introduced, such as the Online Show, which turned over a considerable profit whilst benefiting those members worldwide who took part with a lifting of spirits mid-summer.

The successive lockdowns meant that staff had to be resilient – it has been a long hard year with little respite. Many of the public who interface with the Society made little effort to appreciate that the office has remained open and functional throughout. One caller from across the border was shocked to hear that 'You have Covid? - in Wales!'

As the crop of foals foaled in 2020 were already on their way it is difficult to predict if the financial uncertainty of the post Brexit post Covid scenario will result in a fall in registration numbers and subsequent income as breeders err on the side of caution and don't put so many mares in foal. The timing of the initial outbreak and the warm spring may have tempered this effect for 2021, however, time will tell if this winter is a long one and the spring is wet whether the optimism of 2020 will prevail.

We foresee very few shows during 2021. We hope that an Autumn traditional sale can be staged if restrictions are lifted. If not, then the online sales will continue.

Given that the Society has performed well in this straightjacketed year, we feel confident that as Trustees the Society's position and attitude facing 2021 and 2022 is one of cautious optimism.

One worry which must be addressed is the potential 'drift' away of those members who, by not being active in the showing or breeding spheres during the pandemic, may well find less costly, and therefore more appealing activities to pursue. This is an issue which the incoming Council will have to address, not only for the Society's funding but also from the cultural aspect to ensure that there are committed breeders and enthusiasts for the future.

The continuous improvement of the Society's administration is on-going, as evidenced in cost reductions in administrative and backroom areas, and in compliance with the Minimum Operating Standards for UK Passport Issuing Offices and to produce passports within 20 working days, and to update passports within 10 working days.

Resources have been allocated to address issues concerning Education and Welfare for members and non-members, and to include in particular, the younger people. In order to reach a wider audience using social media, the Society promoted a welfare video aimed at members, breeders and Judges in order to highlight the dangers of overfeeding and focus on judging rules and measures that can be applied to discourage obese animals in the show ring. The Society's Breed & Welfare leaflets are also readily available from the office. Overseas associations can request the supply of translated breed leaflets for issue in their country. The Society's website hosts an Education and Welfare page that provides a video link and information in this area.

Open Forums, where members are able to directly contact trustees and officers with their concerns or suggestions, have been available during the year across the UK. However, none were requested during 2019. The Society met with the Area Associations on the morning of the 2019 AGM and intended to do so again in 2020. This meeting also enables communication from its members and non-members across the UK to reach the governing board.

Members' opinion and feedback is helpful to guiding council, and trustees will continue to consult with members on a regular basis.

The Society continues to converse with The University of Wales, Aberystwyth and the Hill Pony Improvement Societies on DNA profiling. This provides invaluable genetic information for the Welsh Breed and will be an asset for future generations to reference.

The Society has reviewed the Judging & Showing Handbook and updated policies and procedures. This is to be made available on the Society's website to encourage fuller understanding of rules and maintain judging and showing standards. This Judging and Showing Handbook works to ensure the preservation and improvement of judging standards. During 2019 the Young Judges Competition in August and the Judges Conference in September were successful events.

The promotion of the Welsh breeds has been widespread, through the medals and rosettes awarded at shows and events throughout the country. The Society's Exhibition Unit visited shows and events this year in the UK, promoting the Society, providing services to Members' and potential members, passing on educational material and information and selling promotional goods.

The Society's journal is the envy of other equestrian organisations, however, like many printed media, it is faced by rising printing and postage costs and continuing decline in advertising revenue as a result of members investing in their own websites and creating social media profiles. Council remains committed to the production of an annual journal and will ensure the most effective use of resources during 2020.

Educational bursaries were again available in 2020, but due to the pandemic none were requested or awarded.
The services provided by the Society are not restricted and are widely available to the public, without discrimination.

Of the objectives set, the charity has achieved the following during the year:

- Production of a top quality Journal for 2020, evidencing and demonstrating the achievements of horse owners during the past year and thereby promoting the breeding and improvement of horses, advancing public education in the use and management of horses and ponies, and encouraging the provision of public benefit by advertising the results and achievements of shows, events and riders.
- DNA testing policy, promoting the breeding and improvement of horses by maintaining the integrity of the stock book, raising the standard of animals, and creating a focus on a smaller, high quality breeding pool and contributing to the welfare of animals by lessening the availability of cheaper stock.
- The Education & Welfare video, highlighting dangers of Equine Obesity and measures to discourage over fat animals in the show ring, is available on social media.
- A judge's assessment was planned for September 2020 but was postponed for a year due to the pandemic.
- The mobile exhibition unit has stood dormant due to the Covid pandemic and the cancellation of public events.

The main fundraising event is traditionally held at the Past President's AGM dinner dance; this was not possible in 2020.

The Society has a policy of investing in UK fixed interest and UK equities. The portfolio managers, Investec actively manage the funds on our behalf, buying and selling the portfolio as necessary, and to follow instructions provided by the council in line with their investment policy.

Investments are valued at mid market prices and are split as follows:

	2020 Fair Value £	**2020 Cost £**	2019 Fair Value £	2019 Cost £
Fixed Interest	335,834	274,254	239,491	174,890
Equities	1,443,893	1,179,132	1,116,142	831,806
Cash held in portfolio	81,366	81,366	22,067	22,067
	1,861,093	**1,534,752**	**1,377,700**	**1,028,763**

Financial review

The Society has been operating in uncertain financial times and remained reactive to the challenges that overwhelmed some other equestrian organisations. A positive during 2020 was an increase in registration numbers although membership numbers fell slightly.

Results

	2020 Unrestricted £	2020 Restricted £	2020 Total £	2019 Unrestricted £	2019 Restricted £	2019 Total £
Income	577,828	14,779	592,607	1,077,181	16,415	1,093,596
Expenditure	(503,827)	(7,674)	(511,501)	(662,689)	(12,673)	(675,362)
Operating results incl legacy	**74,001**	**7,105**	**81,106**	**414,492**	**3,742**	**418,234**
Operating results excl legacy	**70,887**	**7,105**	**77,813**	**(105,508)**	**3,742**	**(101,766)**
Investment movements	29,461	-	29,461	157,665	-	157,665
Net movement	**103,462**	**7,105**	**110,567**	**572,157**	**3,742**	**575,899**

The Society was notified of a legacy in 2019 but was not received until 2020. The estate value was estimated at circa £540k, an amount of £520,000 was provided in the prior year financial statements to allow for any associated legal fees. The final amount received totalled £523,114, therefore the additional income has been recognised in 2020.

The Society is keeping a close watch on both income and expenditure going forward. The Society is seeking to increase its income from membership, from the passport issuing office and from promotional and trading goods whilst exploring other income streams. On-line payment of memberships and other services, such as registrations, transfers and stallion licence fees continue to be popular with members.

This reserves policy seeks to address the charity's future needs in relation to its reserves and to satisfy Charity Commission requirements for charities to adopt comprehensive reserves policies. The Council has established a financial planning process whereby when agreeing the annual operational budget during the autumn of the preceding year, and with the aim of balancing the operational budget, larger capital or revenue items will be funded out of its reserves. As of the end of December 2020 the free reserves stand at £1,964,635 (2019: £1,317,873). The total designated funds at 31 December 2020 stand at £496,248 (2019: £592,000) see the notes to the financial statements for detailed analysis.

The Council has examined the charity's requirements for reserves in light of the main risks to the organisation and the cost of projected future projects. The main risks are identified as external events beyond the Society's influence, including the decision of the UK to leave the European Union and the implementation of a central equine database by the Welsh Government. Future projects will include a new website, a new boiler system and a new IT system.
.
The Council recognises that it should not be retaining income funds that should be paid out in the fulfilment of its charitable objectives. The Council undertakes to:

- Review the reserves position annually
- Review the investments position annually
- Forecast its income and the reliability of each income source
- Forecast its expenditure on the basis of planned activities and their associated costs
- Consider future needs and opportunities, for example expansion possibilities
- Consider various scenarios, for example, what if there was a change in government policy affecting their area of operations.

The Society's principal funding sources are derived from income through membership subscriptions, grants and sponsorships; and they receive regular monthly income from registration and associated business. The Society has invested amounts with its investment portfolio managers whilst retaining a prudent amount in the bank deposits. Trustees continue to invest in fixed interest/short term deposits and medium to low risk investments and are advised by duly appointed investment portfolio managers.

The trustees have identified the following significant risks affecting the Society:

- Loss of passport issuing office (PIO) status leading to decreased income – at present there are no proposals by DEFRA to change the passport issuing process, however, the charity ensures it keeps abreast of all proposed changes by attending meetings and actively engaging in the Central Equine Database.
- Sudden collapse in the equine leisure market (as a result of an outbreak of foot and mouth or an Exotic Equine Disease) – this is a risk the charity cannot mitigate against, however, the charity is developing an action plan to implement should such an event happen.
- Severe economic downturn leading to loss of income – the charity monitors cash flow and expenditure against budgets on a monthly basis to ensure unnecessary costs are not incurred.
- The UK exit from the European Union – the Society is maintaining contact with the Welsh and UK governments and communicating with key stakeholders.

To mitigate against the above risks and other risks facing the charity the trustees conduct regular reviews of the major risks to which the charity is exposed, listing these in a Risk Register. Systems and procedures have been established to mitigate the risks that the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities and associated budgets. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. The trustees monitor risks that have become issues in an Issues Log, assigning the roles of action owners and action takers to specific trustees and staff in order to reduce the impact upon the Society. Procedures are in place to ensure compliance with health and safety requirements relating to staff, trustees, volunteers and visitors to the Society's premises.

The Society continually reviews the procedures to ensure that they continue to meet the needs of the charity.

Plans for future periods

There are key areas of development and investment planned over the next year. The Society's business plan for 2019-2020 includes continued promotion and education on the Welsh breeds and the care and management of the horses and ponies. This is expected to be undertaken through attending shows and events on a national basis and distributing information and guidance, improved links with the Area Associations, holding Open Forums on a national basis, and promoting literature to members and non-members.

In 2020 the Society produced a Stud Book and a Journal; complied with the Central Equine Database; consulted with the membership including overseas societies and area associations; continue to review and develop new policies and procedures, including the DNA Profiling Policy, as appropriate; and continue to control costs and to develop income. Capital projects for 2020 included the repair of the central heating boiler and the installation of a completely new IT Database.

The internet continues to be an excellent avenue for communication. The Facebook page had over 48,411 "likes" and over 49,178 "followers". The main demographic visiting the page being female.

Structure, governance and management

The Welsh Pony and Cob Society (the Society) is a registered charity under the Charities Act 2011 (Number 222014) and a company limited by guarantee (Number 1017832). The Society is governed by its Memorandum and Articles of Association which were initially adopted on the 15 July 1971, at which date the assets and liabilities of the unincorporated Society were acquired. The Articles of Association were subsequently amended and adopted on 1 March 2008 and updated following the EGM in September 2009. The last changes to the Society's Articles and Memorandum were adopted at the AGM of 1 April 2017.

The Council, who are the Trustees of the charity and Directors of the company, are elected from the membership of the Society at the Annual General Meeting. Council members are elected for a term of 3 years and a third of Council members normally retire each year, creating vacancies to be filled. They may, however, be re-elected for a further three-year period before being required to stand down for a term. The notice calling for nominations is required to be sent to members a minimum of 8 weeks before the AGM. All members of the Society have the right to nominate candidates and vote. The administration and counting of returned postal ballots is conducted by independent scrutineers. The President and President–Elect are also nominated and elected by the members and accepted at the Annual General Meeting. The Chair, Vice-Chair of Council and Chair of Finance and Human Resources are elected by Council members at the first meeting following the AGM each year.

The Society's structure is that of being governed by a Council of 15 members, responsible for setting the strategic direction of the organisation and the policy of the charity. Council carries the ultimate responsibility for the conduct of the Society and for ensuring that the charity satisfies its legal and contractual obligations. The Council is bound by its Memorandum and Articles of Association to meet at least twice a year. Various sub committees also meet regularly to consider the more urgent issues that arise during the year, but all decisions are ratified by the Council unless prior approval of remit and budget are given. The Council delegates the day-to-day operation of the organisation to senior management. A register of Council Members' interests is maintained at the registered office and is available to the public for review.

New Council members are provided with an introduction to the Society and their role within its governance through an induction day and a visit to the Society's office. Printed and electronic materials are made available to them at the induction and following on from that on a regular basis either by email or at Council meetings. Further information and training is provided on an on-going basis through email, at Council meetings and other externally facilitated events.

The trustees consider that the board of directors, who are also the Society's trustees and the senior management team, comprise the key management personnel of the charity in charge of directing and controlling, running and operating the Society on a day to day basis. All trustees give of their time freely and no trustee received remuneration in the year. Details of trustees' expenses, key management personnel and related party transactions are disclosed in the notes to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the trustees benchmark against pay levels in other charities of a similar size and operating in the same sector. The remuneration is bench-marked using market data which is readily available. This is actioned as long as the charity's business plan allows for the additional expenditure.

The Society is the sole shareholder of WPCS Trading Limited, a company limited by guarantee. This company ceased trading on the 30 September 2005.

The Society also co-operates and liaises with a number of other organisations to achieve its objectives on a broader level. It is closely associated with the Hill Pony Improvement Societies. It co-operates and collaborates with other equine and welfare related organisations, including other native breed societies through DEFRA, the Welsh Government, the National Pony Society, BHS, ILPH, the National Equine Welfare Council, HBLB, Trading Standards, World Horse Welfare, RSPCA, JMB, 826 ESA group, and NASTA, and DNA Consultants.

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2020

Reference and administrative details

Charity name	The Welsh Pony and Cob Society
Charity number	222014
Company number	1017832
Registered office	Bronaeron Felinfach Lampeter Ceredigion SA48 8AG
Key management personnel	David Meirion Davies - Company Secretary Gemma Bassett-Burr - Office Manager
Trustees	Mr C Thomas Miss D Chambers Mr R J Davies Mr W G Davies Mr G D J Jones Mr D D Morgan Mr J E Evans Mr W Jones Mr D O Roberts Mr B Hall (resigned 16/09/2020) Ms E Hampson Ms D Jones Mr J W S Welsh Ms S J Charlton
Secretary	Mr D M Davies
President	Mr B Foster
President Elect	Mr C R Davies
Chair of Council	Mr C Thomas
Vice Chair of Council	Mr G W Jones
Directors of subsidiary company	Miss S Hardy Mr C Thomas

Auditors	Azets Audit Services Ty Derw Lime Tree Court Cardiff Gate Business Park Cardiff CF23 8AB
Legal Advisers	Geldards 4 Capital Quarter Tyndall Street Cardiff CF10 4BZ
Investment providers	Investec Wealth and Investment Ltd 30 Gresham Street London EC2V 7QN
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP

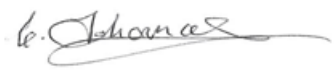
Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Board of Trustees.



Mr C Thomas

Dated: 15th March 2021

THE WELSH PONY AND COB SOCIETY

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees, who are also the directors of The Welsh Pony and Cob Society 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.

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

THE WELSH PONY AND COB SOCIETY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF THE WELSH PONY AND COB SOCIETY

Opinion

We have audited the financial statements of The Welsh Pony and Cob Society (the 'charity') for the year ended 31 December 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 December 2020 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 require 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.

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 145 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.

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.

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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 auditors' 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.

Azets Audit Services

15th March 2021

Azets Audit Services
Chartered Accountants
Statutory Auditor

Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Azets Audit Services is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

THE WELSH PONY AND COB SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Income from:							
Donations and legacies	**3**	3,341	-	3,341	533,237	-	533,237
Charitable activities	**4**	547,766	7,414	555,180	508,504	-	508,504
Other trading activities	**5**	2,048	7,365	9,413	1,497	16,415	17,912
Investments	**6**	24,673	-	24,673	33,943	-	33,943
Total income		577,828	14,779	592,607	1,077,181	16,415	1,093,596
Expenditure on:							
Raising funds	**7**	3,210	260	3,470	8,620	11,907	20,527
Charitable activities	**8**	500,617	7,414	508,031	654,069	766	654,835
Total resources expended		503,827	7,674	511,501	662,689	12,673	675,362
Net gains/(losses) on investments		29,461	-	29,461	157,665	-	157,665
Net movement in funds		103,462	7,105	110,567	572,157	3,742	575,899
Fund balances at 1 January 2020		2,357,421	20,508	2,377,929	1,785,264	16,766	1,802,030
Fund balances at 31 December 2020		2,460,883	27,613	2,488,496	2,357,421	20,508	2,377,929

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE WELSH PONY AND COB SOCIETY

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	**13**		18,949		23,686
Tangible assets	**14**		405,299		423,862
Investments	**15**		1,861,093		1,377,700
			2,285,341		1,825,248
Current assets					
Stocks	**17**	48,480		56,684	
Debtors	**18**	4,876		545,436	
Cash at bank and in hand		361,724		129,222	
		415,080		731,342	
Creditors: amounts falling due within one year	**19**	(124,351)		(92,019)	
Net current assets			290,729		639,323
Total assets less current liabilities			2,576,070		2,464,571
Creditors: amounts falling due after more than one year	**20**		(87,574)		(86,642)
Net assets			2,488,496		2,377,929
Income funds					
Restricted funds	**23**		27,613		20,508
Unrestricted funds					
Designated funds	**24**	496,248		592,000	
General unrestricted funds		1,964,635		1,765,421	
			2,460,883		2,357,421
			2,488,496		2,377,929

THE WELSH PONY AND COB SOCIETY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020, although an audit has been carried out under section 145 of the Charities Act 2011.

The trustees responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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 15th March 2021

Mr C Thomas
Trustee

Company Registration No. 1017832

THE WELSH PONY AND COB SOCIETY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	**29**		665,634		(126,519)
Investing activities					
Purchase of intangible assets		-		(13,445)	
Proceeds on disposal of intangibles		-		1,804	
Purchase of tangible fixed assets		(3,873)		(1,920)	
Purchase of investments		(756,143)		(242,638)	
Proceeds on disposal of investments		302,211		313,236	
Investment income received		24,673		33,943	
Net cash (used in)/generated from investing activities			(433,132)		90,980
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			232,502		(35,539)
Cash and cash equivalents at beginning of year			129,222		164,761
Cash and cash equivalents at end of year			361,724		129,222

1 Accounting policies

Charity information

The Welsh Pony and Cob Society is a private company limited by guarantee incorporated in England and Wales. The registered office is Bronaeron, Felinfach, Lampeter, Ceredigion, SA48 8AG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 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 2019)". 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 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

General funds are unrestricted funds which are available for use at the discretion of the board in furtherance of the general objectives of the society and which have not been designated for other purposes.

Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the society for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4 Incoming resources

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.

Dividends income is recognised on the date the charity's right to receive payment is established.

Trading income is recognised in the period to which the income is generated.

1 Accounting policies

Income from charitable activities (excluding grants) is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

Grants are only included in the SoFA when the general income recognition criteria are met.

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services, as entitlement to the grant only occurs when the performance related conditions are met. Grants receivable are treated in different ways dependent upon their purposes and the terms of the grant.

Grants receivable for specific purposes are also treated as restricted funds so that any unused funds can be separately identified.

Grants receivable to facilitate the general running of the charity are treated as unrestricted funds.

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

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

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

Costs of raising funds comprise the costs in relation to generating income such as fundraising activities.

Expenditure on charitable activities includes all costs relating to the furtherance of the charity's objectives as stated in the trustees report.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs. The basis for calculating the allocation of support costs was as a percentage of total staff costs attributed to each department.

Governance costs comprise all costs involving public accountability of the charity and its compliance with regulation and good practice.

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.

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% reducing balance

1 Accounting policies

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% and 5% straight line
Leasehold land and buildings	Over the life of the lease
Plant and equipment	25% and 33% straight line
Motor vehicles	20% 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 net income/(expenditure) for the year.

Individual fixed assets costing £250 or more are capitalised at cost.

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.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

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).

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.

The complete set of stud books used for library and reference purposes are not valued and are excluded from the Balance Sheet.

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 Accounting policies

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.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

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.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies

1.15 Leases

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the term of the relevant lease.

1.16 Reserve for future costs of life members

Life Members' subscriptions received in the period are included in income and transferred to deferred income.

The deferred income is adjusted at each accounting date for a regular amount transferred back to income dependent on the age banding of the life member.

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.

Key sources of estimation uncertainty

Life members deferred income

The charity provides life membership to members of varying ages, this requires an estimation regarding the number of years in which the income is released in the financial statements.

The income is released in the financial statements as follows:

Under 21's - over 50 years
21-40's - over 40 years
Over 40 - over 30 years
Over 60 - over 20 years

As at 31st December 2020 the amounts of income deferred totalled £94,157 (2019: £92,959), split between creditors due within one year £6,583 (2019: £6,316) and creditors due after more than one year £87,574 (2019: £86,642).

Income released in the financial statements totalled £1,198 (2019: £1,057).

Stock

The charity holds a large amount of stock of which some items are deemed to be obsolete and/or slow moving. A stock provision is made each year which requires an estimation as to the written down value.

During the year stock was written down by £14,513 (2019: £8,695).

As at 31st December 2020 the stock value contained in the financial statements totalled £48,480 (2019: £56,684).

3 Donations and legacies

	Unrestricted funds 2020	Unrestricted funds 2019
	£	£
Donations and gifts	227	13,237
Legacies receivable	3,114	520,000
	3,341	533,237
Donations and gifts		
Donations and sponsorship	179	344
Pavillion donations and income	48	12,893
	227	13,237

4 Charitable activities

	Unrestricted funds 2020	**Unrestricted funds 2019**
	£	**£**
Subscriptions and life members income	134,543	150,697
Journal sales and advertising	21,561	21,459
Other membership income incl insurance	630	1,276
Registration and passports	250,969	214,990
Transfers and other registration income	80,351	74,066
Promotional goods	4,189	16,362
Judging, medal and rosette income	15,523	29,654
Grants	47,414	-
	555,180	508,504
Analysis by fund		
Unrestricted funds	547,766	508,504
Restricted funds	7,414	-
	555,180	508,504

5 Other trading activities

	Unrestricted funds 2020 £	**Restricted funds 2020 £**	**Total 2020 £**	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Internet advertising revenue	67	-	67	67	-	67
Young people's fund	-	4,925	4,925	-	6,475	6,475
Presidents fundraising and dinner	-	2,440	2,440	-	9,940	9,940
Solar panel income	1,981	-	1,981	1,430	-	1,430
Other trading activities	2,048	7,365	9,413	1,497	16,415	17,912

6 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Income from listed investments	23,185	31,286
Interest receivable	1,488	2,657
	24,673	33,943

7 Raising funds

	Unrestricted funds 2020 £	**Restricted funds 2020 £**	**Total 2020 £**	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fundraising and publicity						
Premium awards	2,560	-	2,560	2,050	-	2,050
Donations and bursaries	650	-	650	6,570	-	6,570
Retiring presidents dinner	-	-	-	-	8,838	8,838
Young people's fund	-	260	260	-	3,069	3,069
Fundraising and publicity	3,210	260	3,470	8,620	11,907	20,527
	3,210	260	3,470	8,620	11,907	20,527

8 Charitable activities

	Membership	Registration	Education & promotion	Judging & showing	Total 2020	Total 2019
	£	£	£	£	£	£
Journal costs	18,321	-	-	-	18,321	22,858
Membership costs	20,146	-	-	-	20,146	22,064
Central prefix register and stud books	-	5,771	-	-	5,771	3,191
DNA blood typing and microchips	-	35,253	-	-	35,253	45,808
Passport binding	-	340	-	-	340	335
Promotional goods and stock	-	-	9,639	-	9,639	4,546
Exhibition unit expenses	-	-	1,263	-	1,263	2,961
Publicity officers expenses and educational visits	-	-	-	-	-	210
Medals, rosettes and engraving	-	-	-	2,488	2,488	34,297
Judges conferences	-	-	-	47	47	5,174
Judges and showing handbook	-	-	-	1,089	1,089	2,312
International show costs and expenses	-	-	-	-	-	766
	38,467	41,364	10,902	3,624	94,357	144,522
Share of support costs (see note 10)	60,609	168,744	36,993	103,578	369,924	389,426
Share of governance costs (see note 10)	7,000	20,125	4,375	12,250	43,750	120,887
	106,076	230,233	52,270	119,452	508,031	654,835
Analysis by fund						
Unrestricted funds	98,662	230,233	52,270	119,452	500,617	
Restricted funds	7,414	-	-	-	7,414	
	106,076	230,233	52,270	119,452	508,031	
For the year ended 31 December 2019						
Unrestricted funds	126,572	284,078	58,749	184,670		654,069
Restricted funds	-	-	-	766		766
	126,572	284,078	58,749	185,436		654,835

9 Description of charitable activities

Membership

The members' services department deals with subscriptions, the pavilion, the internet information and the journal.

Registration

The registration department includes the activities of registration, passports, transfers, exports, central prefixing, stud books and DNA blood typing and licenses.

Education & promotion

The education and promotions department includes the premium awards, junior club and donations, together with deals which include some promotional goods, second hand books and sponsorship.

Judging & showing

The judging & showing department includes the conference and seminar meetings, together with the attendance at shows and events, medals and rosettes.

10 Support costs

	Support costs	**Governance costs**	**2020**	Support costs	Governance costs	2019
	£	**£**	**£**	£	£	£
Staff costs	194,855	-	194,855	202,888	-	202,888
Depreciation	27,172	-	27,172	28,894	-	28,894
Other staff costs	100	-	100	1,632	-	1,632
Postage and stationery	36,010	-	36,010	39,603	-	39,603
Computer costs	26,083	-	26,083	25,091	-	25,091
Equipment rental	3,910	-	3,910	3,910	-	3,910
Repairs, renewals and sundry	25,491	-	25,491	26,304	-	26,304
Rates and utilities	10,000	-	10,000	11,774	-	11,774
Insurance	7,055	-	7,055	6,155	-	6,155
Travel and subsistence	100	-	100	2,312	-	2,312
Telephone	19,662	-	19,662	19,320	-	19,320
Bank charges, investment and other costs	19,486	-	19,486	21,543	-	21,543
Audit fees	-	11,000	11,000	-	11,000	11,000
Accountancy fees	-	2,515	2,515	-	6,050	6,050
Legal and professional fees	-	23,939	23,939	-	69,898	69,898
AGM expenses	-	3,996	3,996	-	27,149	27,149
Meeting expenses	-	-	-	-	3,387	3,387
Council expenses and training	-	2,300	2,300	-	3,403	3,403
	369,924	43,750	413,674	389,426	120,887	510,313
Analysed between						
Charitable activities	369,924	43,750	413,674	389,426	120,887	510,313

11 Trustees

No trustees received any remuneration during the current or prior year.
A total of £718 (2019: £2,403) was incurred in relation to travel, subsistence and accommodation expenses.

In 2020 one trustee E Hampson claimed expenses (2019: two trustees; E Hampson and P N E Morgan).

12 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
Office staff	8	9

Employment costs	**2020 £**	**2019 £**
Wages and salaries*	178,800	191,680
Social security costs	10,265	6,729
Other pension costs	5,790	4,479
	194,855	202,888

*includes amounts for agency staff in 2019

Key management personnel

The key management personnel as detailed in the trustees report received benefits (including gross salary, employers national insurance and employers pension contributions) totalling £74,120 (2019: £44,795).

Employees earning > £60k

There were no employees whose annual remuneration was £60,000 or more.

13 Intangible fixed assets

	Software £
Cost	
At 1 January 2020 and 31 December 2020	26,245
Amortisation and impairment	
At 1 January 2020	2,559
Amortisation charged for the year	4,737
At 31 December 2020	7,296
Carrying amount	
At 31 December 2020	18,949
At 31 December 2019	23,686

14 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	468,805	95,614	313,091	17,500	895,010
Additions	-	-	3,873	-	3,873
At 31 December 2020	468,805	95,614	316,964	17,500	898,883
Depreciation and impairment					
At 1 January 2020	87,743	72,764	301,653	8,988	471,148
Depreciation charged in the year	10,029	2,609	8,095	1,703	22,436
At 31 December 2020	97,772	75,373	309,748	10,691	493,584
Carrying amount					
At 31 December 2020	371,033	20,241	7,216	6,809	405,299
At 31 December 2019	381,062	22,850	11,438	8,512	423,862

15 Fixed asset investments

	Listed investments	Cash in portfolio	Other investments	Total
	£			£
Cost or valuation				
At 1 January 2020	1,355,631	22,067	2	1,377,700
Additions	756,143	-	-	756,143
Valuation changes	29,461	-	-	29,461
Cash movement	-	59,299	-	59,299
Disposals	(361,510)	-	-	(361,510)
At 31 December 2020	1,779,725	81,366	2	1,861,093
Carrying amount				
At 31 December 2020	1,779,725	81,366	2	1,861,093
At 31 December 2019	1,355,631	22,067	2	1,377,700

15 Fixed asset investments

Other investments comprise:	Notes	2020 £	2019 £
Investments in subsidiaries	28	2	2

16 Financial instruments

	2020 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	1,779,725	1,355,631

17 Stocks

	2020 £	2019 £
Finished goods and goods for resale	48,480	56,684

18 Debtors

Amounts falling due within one year:	2020 £	2019 £
Other debtors	4,876	545,436

19 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Other taxation and social security		16,447	3,362
Deferred income	21	25,588	31,716
Trade creditors		42,101	31,885
Other creditors		-	1,035
Accruals and deferred income		40,215	24,021
		124,351	92,019

20 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Deferred income	21	87,574	86,642

21 Deferred income

	2020	2019
	£	£
Arising from membership subscriptions and journal sales	113,162	118,358

Deferred income comprises journal sales and membership subscriptions which relate to the 2021 financial year.

Deferred income also includes life members' subscriptions.

Deferred income is included in the financial statements as follows:

	2020	2019
	£	£
Balance brought forward	118,358	117,867
Income received in the year	157,203	178,785
Released to income	(162,399)	(178,294)
Balance carried forward	113,162	118,358

22 Retirement benefit schemes

Defined contribution schemes

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £5,790 (2019: £4,479). The amount outstanding at the year end was £nil (2019: £1,035).

23 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds			Movement in funds			
	Balance at 1 January 2019	Incoming resources	Resources expended	Balance at 1 January 2020	Incoming resources	Resources expended	Balance at 31 December 2020
	£	£	£	£	£	£	£
Miss Broderick Memorial Fund	932	-	-	932	-	-	932
Young People's Account Fund	9,119	6,475	(3,069)	12,525	4,925	(260)	17,190
Presidents Fund	-	9,940	(8,838)	1,102	2,440	-	3,542
International show	6,715	-	(766)	5,949	-	-	5,949
Coronavirus Job Retention Scheme	-	-	-	-	7,414	(7,414)	-
	16,766	16,415	(12,673)	20,508	14,779	(7,674)	27,613

Miss Broderick Memorial Fund
A fund set up in memory of Miss Broderick in order to cover costs of providing a replica trophy and engraving costs for the Miss Broderick Memorial Prize.

Young People's Account Fund
Money kept in reserve arising from the young people's fundraising activities, and which is to be used for their purposes as instructed.

President's Fund
The 2020 President's fundraising income is being held in a restricted reserve with any income in excess of expenditure being donated to charity during the 2021 financial year.

International show
Money kept in reserve to cover a potential donation to the International Show 2021 and the funding of the international rosettes for 2021.

Coronavirus Job Retention Scheme
Funding to support wages costs during the Covid-19 pandemic.

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Movement in funds					
	Balance at 1 January 2019	Incoming resources	Transfers	Balance at 1 January 2020	Transfers	Balance at 31 December 2020
	£	£	£	£	£	£
Educational bursary	1,650	-	350	2,000	-	2,000
IT development	45,000	-	(25,000)	20,000	-	20,000
Miss Thelma Carter legacy	-	520,000	-	520,000	(520,000)	-
Legal costs	35,000	-	-	35,000	(5,000)	30,000
Capital expenditure	15,000	-	-	15,000	-	15,000
Training	-	-	-	-	5,000	5,000
Fixed asset fund	-	-	-	-	424,248	424,248
	96,650	520,000	(24,650)	592,000	(95,752)	496,248

Educational bursary
Relates to monies designated to provide educational bursaries. The remaining balance will be expended in future periods.

IT development
Relates to future costs regarding the redesign and update of the charity's new IT system.

Miss Thelma Carter legacy
Relates to legacy income that the society was notified of in 2019. These funds have now been invested in the charity's investment portfolio.

Legal costs
Relates to future costs regarding ongoing legal advice.

Capital expenditure
Relates to future capital costs to be incurred towards work at Bronaeron site.

Training
Relates to future costs regarding training, the remaining balance will be expended in future periods.

Fixed asset fund
This represents the net book value of the charity's fixed and intangible assets.

25 Analysis of net assets between funds

	Unrestricted 2020	**Designated 2020**	**Restricted 2020**	**Total 2020**	Unrestricted 2019	Designated 2019	Restricted 2019	Total 2019
	£	**£**	**£**	**£**	£	£	£	£
Fund balances at 31 December 2020 are represented by:								
Intangible fixed assets	-	18,949	-	18,949	23,686	-	-	23,686
Tangible assets	-	405,299	-	405,299	423,862	-	-	423,862
Investments	1,861,093	-	-	1,861,093	1,377,700	-	-	1,377,700
Current assets/(liabilities)	191,116	72,000	27,613	290,729	26,815	592,000	20,508	639,323
Long term liabilities	(87,574)	-	-	(87,574)	(86,642)	-	-	(86,642)
	1,964,635	496,248	27,613	2,488,496	1,765,421	592,000	20,508	2,377,929

26 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	25,410	12,910
Between two and five years	55,424	12,124
In over five years	13,824	-
	94,658	25,034

The charity classifies the lease of a photocopier, franking machine and rental of a building as operating leases. Rental charges are charged on a straight line basis over the term of the lease.

27 Related party transactions

There were no disclosable related party transactions during the year (2019- none).

Included within the Trustees Report are details of related party relationships regarding the society's dormant trading subsidiary and other organisations the society works with to achieve its objectives.

28 Subsidiaries

These financial statements are separate charity financial statements for The Welsh Pony and Cob Society Limited.

Consolidated financial statements have not been prepared due to the trading subsidiary being dormant.

Details of the charity's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
WPCS Trading Ltd	United Kingdom	Dormant	Ordinary Shares	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
WPCS Trading Ltd	-	2

28 Subsidiaries

The company number for the trading company is 02946610.

The investment in the subsidiary is stated at cost.

29 Cash generated from operations

	2020	2019
	£	£
Surplus for the year	110,567	575,899
Adjustments for:		
Investment income recognised in statement of financial activities	(24,673)	(33,943)
Fair value gains and losses on investments	(29,461)	(157,665)
Amortisation and impairment of intangible assets	4,737	3,011
Depreciation and impairment of tangible fixed assets	22,435	25,883
Movements in working capital:		
Decrease in stocks	8,204	1,296
Decrease/(increase) in debtors	540,560	(527,999)
Increase/(decrease) in creditors	38,461	(13,492)
(Decrease)/increase in deferred income	(5,196)	491
Cash generated from/(absorbed by) operations	665,634	(126,519)

30 Analysis of changes in net funds

The charity had no debt during the year.