

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 WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

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 WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

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 WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

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

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2021

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

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2021

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

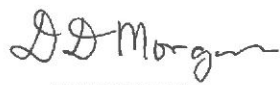
Auditor

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 D Morgan

Dated: 12-5-2022
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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.

THE WELSH PONY AND COB SOCIETY

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.

THE WELSH PONY AND COB SOCIETY

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

12-05-2022

**Chartered Accountants
Statutory Auditor**

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

THE WELSH PONY AND COB SOCIETY

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

THE WELSH PONY AND COB SOCIETY

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 on12-05-2022



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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 £	£	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

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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.

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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
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THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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).

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Donations and legacies

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

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
	<u>576,622</u>	<u>555,180</u>
Analysis by fund		
Unrestricted funds	573,901	547,766
Restricted funds	2,721	7,414
	<u>576,622</u>	<u>555,180</u>

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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 £
<u>Fundraising and publicity</u>						
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

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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
	<u>49,249</u>	<u>55,029</u>	<u>30,604</u>	<u>2,731</u>	<u>137,613</u>	<u>94,357</u>
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
	<u>124,815</u>	<u>266,182</u>	<u>76,850</u>	<u>132,216</u>	<u>600,063</u>	<u>508,031</u>
Analysis by fund						
Unrestricted funds	122,094	266,182	76,850	132,216	597,342	
Restricted funds	2,721	-	-	-	2,721	
	<u>124,815</u>	<u>266,182</u>	<u>76,850</u>	<u>132,216</u>	<u>600,063</u>	

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
	<u>106,076</u>	<u>230,233</u>	<u>52,270</u>	<u>119,452</u>		<u>508,031</u>

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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
	<u>400,771</u>	<u>61,679</u>	<u>462,450</u>	<u>369,924</u>	<u>43,750</u>	<u>413,674</u>
Analysed between Charitable activities	<u>400,771</u>	<u>61,679</u>	<u>462,450</u>	<u>369,924</u>	<u>43,750</u>	<u>413,674</u>

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).

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Plant and Motor vehicles equipment		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

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

15	Fixed asset investments			(Continued)
			2021	2020
			£	£
	Other investments comprise:	Notes		
	Investments in subsidiaries	28	<u>2</u>	<u>2</u>
16	Financial instruments		2021	2020
			£	£
	Carrying amount of financial assets			
	Instruments measured at fair value through profit or loss		<u>2,291,182</u>	<u>1,779,725</u>
17	Stocks		2021	2020
			£	£
	Finished goods and goods for resale		<u>49,075</u>	<u>48,480</u>
18	Debtors		2021	2020
			£	£
	Amounts falling due within one year:			
	Other debtors		<u>13,214</u>	<u>4,876</u>
19	Creditors: amounts falling due within one year		2021	2020
		Notes	£	£
	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
			<u>94,992</u>	<u>124,351</u>
20	Creditors: amounts falling due after more than one year		2021	2020
		Notes	£	£
	Deferred income	21	<u>86,687</u>	<u>87,574</u>

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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).

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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
	<u>592,000</u>	<u>(95,752)</u>	<u>496,248</u>	<u>(25,158)</u>	<u>3,896</u>	<u>474,986</u>

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.

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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
	<u>212,532</u>	<u>94,658</u>

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	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 WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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.

