

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



THE WELSH PONY AND COB SOCIETY

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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)".

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

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 WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

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 Hartpur, 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 WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 environmental 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 WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

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 WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2022

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	2022 Cost	2021	2021
	Fair Value	£	Fair	Cost
	£		Value	£
			£	
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

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

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 WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

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

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2022

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

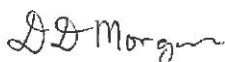
Auditor

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 - 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.

THE WELSH PONY AND COB SOCIETY

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.

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.



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

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 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

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

THE WELSH PONY AND COB SOCIETY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

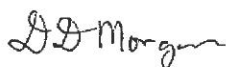
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

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



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 £	£	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

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

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.

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022

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).

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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 £
<u>Fundraising and publicity</u>						
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

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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	-
	<u>58,612</u>	<u>56,641</u>	<u>47,578</u>	<u>19,709</u>	<u>182,540</u>	<u>137,613</u>
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
	<u>141,327</u>	<u>288,357</u>	<u>98,294</u>	<u>161,710</u>	<u>689,688</u>	<u>600,063</u>
Analysis by fund						
Unrestricted funds	<u>141,327</u>	<u>288,357</u>	<u>98,294</u>	<u>161,710</u>	<u>689,688</u>	
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
	<u>124,815</u>	<u>266,182</u>	<u>76,850</u>	<u>132,216</u>		<u>600,063</u>

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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
Accountancy fees	-	1,500	1,500	-	1,295
Legal and professional fees	-	10,958	10,958	-	36,653
AGM expenses	-	6,752	6,752	-	10,647
Council expenses and training	-	8,818	8,818	-	2,084
	<u>465,870</u>	<u>41,278</u>	<u>507,148</u>	<u>400,771</u>	<u>462,450</u>
Analysed between					
Charitable activities	<u>465,870</u>	<u>41,278</u>	<u>507,148</u>	<u>400,771</u>	<u>462,450</u>

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 Gummy, A Everitt claimed expenses (2021: five trustees A Kember, D Jones, E Hampson, R Wilson and S Charlton).

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Tangible fixed assets

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

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

16	Fixed asset investments			(Continued)
			2022	2021
			£	£
	Other investments comprise:	Notes		
	Investments in subsidiaries	29	<u>2</u>	<u>2</u>
17	Stocks		2022	2021
			£	£
	Finished goods and goods for resale		<u>42,488</u>	<u>49,075</u>
18	Debtors		2022	2021
			£	£
	Amounts falling due within one year:			
	Other debtors		<u>9,724</u>	<u>13,214</u>
19	Creditors: amounts falling due within one year		2022	2021
		Notes	£	£
	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
			<u>101,841</u>	<u>94,992</u>
20	Creditors: amounts falling due after more than one year		2022	2021
		Notes	£	£
	Deferred income	23	<u>89,496</u>	<u>86,687</u>
21	Financial instruments		2022	2021
			£	£
	Carrying amount of financial assets			
	Instruments measured at fair value through profit or loss		<u>2,051,673</u>	<u>2,291,182</u>

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

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

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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
	<u>496,248</u>	<u>(25,158)</u>	<u>3,896</u>	<u>474,986</u>	<u>(21,636)</u>	<u>453,350</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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Coronavirus COVID-19: Government Spending

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

26 Analysis of net assets between funds

Fund balances at 31 December 2022 are represented by:

	Unrestricted 2022 £	Designated 2022 £	Restricted 2022 £	Total 2022 £	Unrestricted 2021 £	Designated 2021 £	Restricted 2021 £	Total 2021 £
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

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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
	<u>185,245</u>	<u>212,532</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.

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 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.

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

30 Cash generated from operations	2022 £	2021 £
(Deficit)/surplus 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.