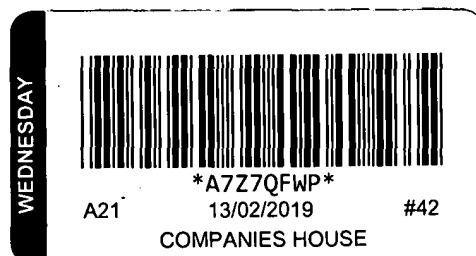


Charity Registration No. 222014

Company Registration No. 1017832 (England and Wales)

**THE WELSH PONY AND COB SOCIETY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



# 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 2018**

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The trustees present their report and financial statements for the year ended 31 December 2018.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, 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)" (as amended for accounting periods commencing from 1 January 2016).

#### **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 and which is done on a regular basis. In recent years, this has been combined with its role as a Passport Issuing Organisation (PIO) and registration of equine is through its comprehensive registration processes.

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

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

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

The aims of the charity are detailed below:

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

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

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

# **THE WELSH PONY AND COB SOCIETY**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018**

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

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

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

Public benefits applicable to the charity's activities include:

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

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

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

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

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

# **THE WELSH PONY AND COB SOCIETY**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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

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

### **Achievements and performance**

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

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

Open Forums, where members are able to directly contact trustees and officers with their concerns or suggestions, have been available during the year across the UK. However, none were requested during 2018. The society met with the Area Associations on the morning of the 2018 AGM and intends to do so again in 2019. This meeting also enables communication from its members and non-members across the UK to reach the governing board.

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

The Society continues to work with Aberystwyth University and the Hill Pony Improvement Societies on an exciting DNA sampling project that will provide 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 circulated to all members 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 2018 the Young Judges Competition in August and the Judges Assessment in September were successful events.

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

# THE WELSH PONY AND COB SOCIETY

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018

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. Council remains committed to the production of an annual journal and will ensure the most effective use of resources during 2019.

Educational bursaries were available and one application was successful in 2018 and was awarded £1000.

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 2018, evidencing and demonstrating the achievements of horse owners during the past year and thereby promoting the breeding and improvement of horses, advancing public education in the use and management of horses and ponies, and encouraging the provision of public benefit by advertising the results and achievements of shows, events and riders.
- DNA testing policy, promoting the breeding and improvement of horses by maintaining the integrity of the stock book, raising the standard of animals, and creating a focus on a smaller, high quality breeding pool and contributing to the welfare of animals by lessening the availability of cheaper stock.
- Launch of Education & Welfare video on social media highlighting dangers of Equine Obesity and measures to discourage over fat animals in the show ring.
- A successful judge's assessment was held on the 15th of September 2018 resulting in positive feedback from the candidates who attended.
- The mobile exhibition unit attended various sales and shows to continue public education across Wales and the UK and to promote the breeding and improvement of animals.

The main fundraising event is traditionally held at the Past 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:

	<b>2018 Fair Value £</b>	<b>2018 Cost £</b>	<b>2017 Fair Value £</b>	<b>2017 Cost £</b>
Fixed Interest	203,386	195,194	224,160	213,918
Equities	1,017,519	825,182	944,721	668,860
Cash held in portfolio	69,712	69,712	114,030	114,030
	<b>1,290,617</b>	<b>1,090,088</b>	<b>1,282,911</b>	<b>996,808</b>

The income received from these investments held during the year was £27,236 (2017: £30,390). Council reviews the investment portfolios on a regular basis and takes advice from the investment portfolio managers.

# THE WELSH PONY AND COB SOCIETY

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018

### Financial review

The society has been operating in turbulent financial times and remained reactive to the challenges that overwhelmed some other equestrian organisations. Positives during 2018 were an increase in membership income and a marked 34% increase in junior membership. On the negative side there was a slight decline in the overall numbers of membership by 6% and a decline in registrations of 8%. These were anticipated and positive steps previously taken to ensure costs were maintained at the end of the 2018 year. This is something the society is looking to continue addressing during the 2019 financial year.

### Results

	2018 Unrestricted £	2018 Restricted £	2018 Total £	2017 Unrestricted £	2017 Restricted £	2017 Total £
Income	582,971	20,266	603,237	597,299	6,098	603,397
Expenditure	(619,662)	(21,873)	(641,535)	(627,381)	(7,360)	(634,741)
Transfers	19	(19)	-	-	-	-
<b>Operating results</b>	<b>(36,672)</b>	<b>(1,626)</b>	<b>(38,298)</b>	<b>(30,082)</b>	<b>(1,262)</b>	<b>(31,344)</b>
Investment movements	(81,222)	-	(81,222)	94,087	-	94,087
<b>Net movement</b>	<b>(117,894)</b>	<b>(1,626)</b>	<b>(119,520)</b>	<b>64,005</b>	<b>(1,262)</b>	<b>62,743</b>

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

This reserves policy seeks to address the charity's future needs in relation to its reserves and to satisfy Charity Commission requirements for charities to adopt comprehensive reserves policies. The Council has established a financial planning process whereby when agreeing the annual operational budget during the autumn of the preceding year, and with the aim of balancing the operational budget, larger capital or revenue items will be funded out of its reserves. As of the end of December 2018 the free reserves stand at £1,225,732 (2017: £1,298,855). The total designated funds at 31 December 2018 stand at £96,650 (2017: £136,650) 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.

Reserves in 2019 are needed to meet the working capital requirements of the charity against an environment of external change and uncertainty around future income, to set against identified risks and to fund future projects. The Council is confident that with sufficient reserves they will be able to continue the current activities of the charity in the event of a significant drop in income, geo-political changes or significant changes in the equine industry.

The Society has decided to retain an operational reserve based on the current projected 12 months of operating costs. Added to this are reserves set against identified risks to the Society and reserves set against the cost of future projects. This figure is held in the charity's investment portfolio. Whilst the reserves level currently held by the charity exceeds the operational target level, the charity is looking to invest in capital items in the foreseeable future.

# **THE WELSH PONY AND COB SOCIETY**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018**

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

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

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

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

- Loss of passport issuing office (PIO) status leading to decreased income – at present there are no proposals by DEFRA to change the passport issuing process, however the charity ensures it keeps abreast of all proposed changes by attending meetings and actively engaging in the Central Equine Database.
- Sudden collapse in the equine leisure market (e.g. an outbreak of foot and mouth disease) – this is a risk the charity cannot mitigate against; however the charity has an action plan 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.



# THE WELSH PONY AND COB SOCIETY

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018

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### Plans for future periods

There are key areas of development and investment planned over the next year. The society's business plan for 2019-2020 includes continued promotion and education on the Welsh breeds and the care and management of the horses and ponies. This is expected to be undertaken through attending shows and events on a national basis and distributing information and guidance, improved links with the Area Associations, holding Open Forums on a national basis, and promoting literature to members and non-members.

In 2019 the society will produce a Stud Book and a Journal; comply with the Central Equine Database; consult with the membership including overseas societies and area associations; continue to review and develop new policies and procedures, including the DNA Testing Policy, as appropriate; and continue to control costs and to develop income. Capital projects for 2019 will include the replacement of the Central heating Boiler and the installation of a complete new IT system.

The internet continues to be an excellent avenue for communication. During 2018 the website attracted on average over 5,500 visitors each month, 22% of whom were new visitors, the Facebook page had over 42,000 "likes" and over 41,000 "followers" and the Twitter account had 1300 followers.

Trustee training has been consolidated during 2018 and will continue to be made available to ensure trustees are well equipped for their roles. Informed and accountable strategy and governance is a clear priority for the society and focus will be placed on work-force development of staff and council members.

### 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. Further changes to the society's Articles and Memorandum were adopted at the AGM of 1st 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.

# THE WELSH PONY AND COB SOCIETY

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018

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### Reference and administrative details

**Charity Name** The Welsh Pony and Cob Society

**Charity number** 222014

**Company number** 1017832

**Registered Office** Bronaeron  
Felinfach  
Lampeter  
SA48 8AG

**Key management personnel** Hannah Wilson - Office Manager

**Trustees** Mr E P J Gummery - resigned 7/4/18  
Mr J T Kirk  
Mr P N E Morgan  
Mr J P Parry  
Mr C Thomas  
Mr D W Roberts- resigned 16/10/18  
Miss D Chambers  
Mr R J Davies  
Ms R A Holland - resigned 9/11/18  
Mrs T Hook  
Mr W G Davies  
Mr G D J Jones  
Mr D D Morgan  
Ms J P Price- resigned 16/1/18  
Mr J E Evans  
Mr G Williams - appointed 7/4/18, resigned 12/11/18  
Mr W Jones - appointed 7/4/18

**Secretary** Ms K Barker-Moore - resigned 3/4/18  
Ms J Sanders - appointed 3/4/18, resigned 9/10/18  
Mr J T Kirk - appointed 9/10/18

**President** Mrs E A Russell

**President Elect** Mr B Foster

**Chair of Council** Mr J T Kirk

**Vice Chair of Council** Mr C Thomas

**Directors of Subsidiary Company** Miss S Hardy  
Mr J T Kirk

# THE WELSH PONY AND COB SOCIETY

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2018

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**Auditors**

MHA Broomfield Alexander  
Chartered Accountants and Statutory Auditors  
Waters Lane Chambers  
1-3 Waters Lane  
Newport  
NP20 1LA

**Legal Advisers**

Geldards  
Dumfries House  
Dumfries Place  
Cardiff  
CF10 3ZF

**Investment providers**

Investec Wealth and Investment Ltd  
2 Gresham Street  
London  
EC2V 7QP

**Bankers**

Barclays Bank PLC  
Leicester  
Leicestershire  
LE87 2BB

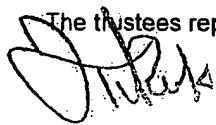
**Auditor**

In accordance with the company's articles, a resolution proposing that MHA Broomfield Alexander 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 J T Kirk

Dated: 11th Feb 2019

# **THE WELSH PONY AND COB SOCIETY**

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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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

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#### Opinion

We have audited the financial statements of The Welsh Pony and Cob Society (the 'charity') for the year ended 31 December 2018 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 2018 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 accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# THE WELSH PONY AND COB SOCIETY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE WELSH PONY AND COB SOCIETY

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#### **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 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# THE WELSH PONY AND COB SOCIETY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE TRUSTEES OF THE WELSH PONY AND COB SOCIETY

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#### 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.



**Sarah Case FCA DChA (Senior Statutory Auditor)**  
**for and on behalf of MHA Broomfield Alexander**  
**Chartered Accountants**  
**Statutory Auditor**

11-2-19

Waters Lane Chambers  
1-3 Waters Lane  
NEWPORT  
UK  
NP20 1LA

MHA Broomfield Alexander 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 2018**

	Notes	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Total 2017 £
<b><u>Income from:</u></b>					
Donations and legacies	3	19,368	-	19,368	15,793
Charitable activities	4	521,218	-	521,218	541,513
Other trading activities	5	14,819	20,266	35,085	15,670
Investments	6	27,566	-	27,566	30,421
<b>Total income</b>		<b>582,971</b>	<b>20,266</b>	<b>603,237</b>	<b>603,397</b>
<b><u>Expenditure on:</u></b>					
Raising funds	7	19,800	21,636	41,436	26,515
Charitable activities	8	599,862	237	600,099	608,226
<b>Total resources expended</b>		<b>619,662</b>	<b>21,873</b>	<b>641,535</b>	<b>634,741</b>
Net gains/(losses) on investments		(81,222)	-	(81,222)	94,087
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(117,913)</b>	<b>(1,607)</b>	<b>(119,520)</b>	<b>62,743</b>
Gross transfers between funds		19	(19)	-	-
<b>Net movement in funds</b>		<b>(117,894)</b>	<b>(1,626)</b>	<b>(119,520)</b>	<b>62,743</b>
Fund balances at 1 January 2018		1,903,158	18,392	1,921,550	1,858,807
<b>Fund balances at 31 December 2018</b>		<b>1,785,264</b>	<b>16,766</b>	<b>1,802,030</b>	<b>1,921,550</b>

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

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## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Intangible assets	14		15,056		-
Tangible assets	15		447,826		468,260
Investments	16		1,290,619		1,282,913
			<u>1,753,501</u>		<u>1,751,173</u>
<b>Current assets</b>					
Stocks	17	57,980		87,413	
Debtors	18	17,437		21,699	
Cash at bank and in hand		164,761		246,905	
			<u>240,178</u>	<u>356,017</u>	
<b>Creditors: amounts falling due within one year</b>	19	(105,916)		(92,101)	
Net current assets			<u>134,262</u>	<u>263,916</u>	
<b>Total assets less current liabilities</b>			<u>1,887,763</u>	<u>2,015,089</u>	
<b>Creditors: amounts falling due after more than one year</b>	20		(85,733)	(93,539)	
<b>Net assets</b>			<u><u>1,802,030</u></u>	<u><u>1,921,550</u></u>	
<b>Income funds</b>					
Restricted funds	23		16,766		18,392
<u>Unrestricted funds</u>					
Designated funds	24	96,650		136,650	
General unrestricted funds		1,688,614		1,766,508	
			<u>1,785,264</u>	<u>1,903,158</u>	
			<u><u>1,802,030</u></u>	<u><u>1,921,550</u></u>	

# THE WELSH PONY AND COB SOCIETY

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

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Notes	2018		2017	
	£	£	£	£

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 2018, although an audit has been carried out under section 144 of the Charities Act 2011. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements under the requirements of the Companies Act 2006.

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.

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 11th February 2019



Mr J T Kirk  
Trustee

Company Registration No. 1017832

# THE WELSH PONY AND COB SOCIETY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	30		19,054		73,447
<b>Investing activities</b>					
Purchase of intangible assets		(25,800)		-	
Proceeds on disposal of intangibles		(2,816)		-	
Purchase of tangible fixed assets		(14,088)		(2,492)	
Proceeds on disposal of tangible fixed assets		2,816		-	
Purchase of investments		(312,235)		(228,521)	
Proceeds on disposal of investments		223,359		238,232	
Interest received		27,566		30,421	
<b>Net cash (used in)/generated from investing activities</b>			(101,198)		37,640
<b>Net cash used in financing activities</b>			-		-
<b>Net (decrease)/increase in cash and cash equivalents</b>			(82,144)		111,087
Cash and cash equivalents at beginning of year			246,905		135,818
<b>Cash and cash equivalents at end of year</b>			164,761		246,905

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **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 accounts 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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

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. 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.

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 2018

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#### 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.

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.

#### 1.5 Resources expended

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

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

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

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

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

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

#### 1.6 Intangible fixed assets other than goodwill

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

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

Software	20% reducing balance
Website	20% reducing balance

#### 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	20% reducing balance and 25% straightline
Computers	33.33% 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.

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies (Continued)

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

#### 1.8 Fixed asset investments

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

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

#### 1.9 Impairment of fixed assets

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

#### 1.10 Stocks

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

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

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

#### 1.11 Cash and cash equivalents

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

#### 1.12 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.

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies (Continued)

#### ***Derecognition of financial assets***

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

#### ***Basic financial liabilities***

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

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

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

#### ***Derecognition of financial liabilities***

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

### 1.13 Employee benefits

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

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

### 1.14 Retirement benefits

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

### 1.15 Leases

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the term of the relevant lease.

### 1.16 Reserve for future costs of life members

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

The deferred income is adjusted at each accounting date for a regular amount transferred back to income in order to reduce the reserve of future years affected by the future cost of supplying literature etc based on current prices.

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 2 Critical accounting estimates and judgements

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

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

### 3 Donations and legacies

	Unrestricted funds 2018 £	Unrestricted funds 2017 £	Restricted funds 2017 £	Total 2017 £
Donations and gifts	19,368	13,714	2,079	15,793
<b>Donations and gifts</b>				
Donations and sponsorship	6,885	1,663	2,079	3,742
Pavillion donations and income	12,483	12,051	-	12,051
	19,368	13,714	2,079	15,793

### 4 Charitable activities

	Unrestricted funds 2018 £	Unrestricted funds 2017 £
Subscriptions and life members income	160,109	151,007
Journal sales and advertising	26,685	27,181
Other membership income incl insurance	1,408	1,487
Registration and passports	216,507	232,659
Transfers and other registration income	71,789	83,281
Promotional goods	12,381	16,111
Judging, medal and rosette income	32,339	29,787
	521,218	541,513



# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 5 Other trading activities

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Unrestricted funds 2017 £	Restricted funds 2017 £	Total 2017 £
Internet advertising revenue	104	-	104	100	-	100
Young people's fund	-	9,442	9,442	-	-	-
Presidents fundraising and dinner	12,545	10,824	23,369	9,930	4,019	13,949
Solar panel income	2,170	-	2,170	1,621	-	1,621
Other trading activities	14,819	20,266	35,085	11,651	4,019	15,670

### 6 Investments

	Unrestricted funds 2018 £	Unrestricted funds 2017 £
Income from listed investments	27,236	30,390
Interest receivable	330	31
	27,566	30,421

### 7 Raising funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total 2018 £	Unrestricted funds 2017 £	Restricted funds 2017 £	Total 2017 £
<u>Fundraising and publicity</u>						
Premium awards	1,625	-	1,625	2,900	-	2,900
Donations and bursaries	5,630	-	5,630	7,048	3,007	10,055
Retiring presidents dinner	12,545	11,175	23,720	12,937	-	12,937
Young people's fund	-	10,461	10,461	-	623	623
Fundraising and publicity	19,800	21,636	41,436	22,885	3,630	26,515
	19,800	21,636	41,436	22,885	3,630	26,515

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 8 Charitable activities

	Membership £	Registration £	Education & promotion £	Judging & showing £	Total 2018 £	Total 2017 £
Journal costs	32,377	-	-	-	32,377	32,537
Membership costs	19,403	-	-	-	19,403	17,806
Central prefix register and stud books	-	6,114	-	-	6,114	3,250
DNA blood typing and microchips	-	48,090	-	-	48,090	52,592
Passport binding	-	2,445	-	-	2,445	7,698
Promotional goods and stock	-	-	5,458	-	5,458	10,662
Exhibition unit expenses	-	-	3,147	-	3,147	3,919
Publicity officers expenses and educational visits	-	-	109	-	109	438
Medals, rosettes and engraving	-	-	-	33,349	33,349	21,747
Judges conferences	-	-	-	-	-	5,174
Judges and showing handbook	-	-	-	1,495	1,495	2,390
International show costs and expenses	-	-	-	3,238	3,238	1,000
	<u>51,780</u>	<u>56,649</u>	<u>8,714</u>	<u>38,082</u>	<u>155,225</u>	<u>159,213</u>
Share of support costs (see note 10)	64,800	170,532	37,952	106,278	379,562	400,780
Share of governance costs (see note 10)	10,449	30,042	6,535	18,286	65,312	48,233
	<u>127,029</u>	<u>257,223</u>	<u>53,201</u>	<u>162,646</u>	<u>600,099</u>	<u>608,226</u>
<b>Analysis by fund</b>						
Unrestricted funds	126,792	257,223	53,201	162,646	599,862	
Restricted funds	237	-	-	-	237	
	<u>127,029</u>	<u>257,223</u>	<u>53,201</u>	<u>162,646</u>	<u>600,099</u>	
<b>For the year ended 31 December 2017</b>						
Unrestricted funds	121,636	268,213	59,578	155,069		604,496
Restricted funds	548	1,873	343	966		3,730
	<u>122,184</u>	<u>270,086</u>	<u>59,921</u>	<u>156,035</u>		<u>608,226</u>

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **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 2018

### 10 Support costs

	Support costs £	Governance costs £	2018 £	Support costs £	Governance costs £	2017 £
Staff costs	196,985	-	196,985	181,648	-	181,648
Depreciation	45,261	-	45,261	48,253	-	48,253
Other staff costs	8,055	-	8,055	8,873	-	8,873
Postage and stationery	29,319	-	29,319	32,331	-	32,331
Computer costs	15,469	-	15,469	20,479	-	20,479
Equipment rental	3,910	-	3,910	4,653	-	4,653
Repairs and renewals	26,925	-	26,925	66,674	-	66,674
Rates and utilities	9,387	-	9,387	6,320	-	6,320
Insurance	7,524	-	7,524	6,772	-	6,772
Travel and subsistence	3,362	-	3,362	2,668	-	2,668
Telephone	10,264	-	10,264	7,676	-	7,676
Bank charges, investment and other costs	23,101	-	23,101	14,433	-	14,433
Audit fees	-	11,000	11,000	-	11,000	11,000
Accountancy fees	-	3,750	3,750	-	8,745	8,745
Legal and professional fees	-	35,286	35,286	-	13,877	13,877
AGM expenses	-	10,068	10,068	-	6,541	6,541
Meeting expenses	-	3,732	3,732	-	2,810	2,810
Council expenses and training	-	1,476	1,476	-	5,260	5,260
	<u>379,562</u>	<u>65,312</u>	<u>444,874</u>	<u>400,780</u>	<u>48,233</u>	<u>449,013</u>
Analysed between Charitable activities	<u>379,562</u>	<u>65,312</u>	<u>444,874</u>	<u>400,780</u>	<u>48,233</u>	<u>449,013</u>

### 11 Net movement in funds

	2018 £	2017 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	11,000	11,000
Depreciation of owned tangible fixed assets	31,701	48,253
Amortisation of intangible assets	560	-
Impairment of intangible assets	13,000	-
	<u>56,261</u>	<u>59,253</u>

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 12 Trustees

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

A total of £1,463 (2017: £3,664) was incurred in relation to travel, subsistence and accommodation expenses by the following 4 trustees (2017: 5).

D Chambers: £128  
E P J Gummery: £367  
P N E Morgan: £926  
G W Jones: £42

The following trustees did not claim expenses during the period; Mr J E Evans, Mr J P Parry, Mr C Thomas, Mr D W Roberts, Mr R J Davies, Ms R A Holland, Mrs T Hook, Mr W G Davies, Mr G D J Jones, Mr D D Morgan, Mrs J P Price, Mr G Williams and Mr J T Kirk.

The trustee attendance at meetings during the year was as follows

J E Evans - 30  
E P J Gummery\* - 1  
P N E Morgan - 15  
J P Parry - 16  
C Thomas - 30  
D W Roberts\* - 9  
D Chambers - 26  
R J Davies - 25  
R A Holland\* - 10  
T Hook - 19  
W G Davies - 30  
G D J Jones - 30  
D D Morgan - 20  
J P Price\* - 0  
G Williams\* - 9  
W Jones\* - 21  
J Kirk - 24

\* was not a trustee for the whole year.

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 13 Employees

#### Number of employees

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Office staff	7	8
	<hr/>	<hr/>
<b>Employment costs</b>	<b>2018 £</b>	<b>2017 £</b>
Wages and salaries*	185,670	163,970
Social security costs	5,807	9,821
Other pension costs	5,508	7,857
	<hr/>	<hr/>
	196,985	181,648
	<hr/>	<hr/>

\*includes amounts for agency staff

#### Redundancy and termination payments

During the year the society made no payments for redundancy or settlement arrangements (2017: £4,847). There were no amounts outstanding at the prior year end.

#### Key management personnel

The key management personnel as detailed in the trustees report received benefits (including gross salary, employers national insurance and employers pension contributions) totalling £37,857 (2017: £68,895).

#### 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 2018

#### 14 Intangible fixed assets

	Software £	Website £	Total £
<b>Cost</b>			
At 1 January 2018	-	-	-
Additions	13,000	12,800	25,800
Transferred from tangible fixed assets	-	13,943	13,943
At 31 December 2018	13,000	26,743	39,743
<b>Amortisation and impairment</b>			
At 1 January 2018	-	-	-
Amortisation charged for the year	-	560	560
Amounts written off	13,000	-	13,000
Transferred from tangible fixed assets	-	11,127	11,127
At 31 December 2018	13,000	11,687	24,687
<b>Carrying amount</b>			
At 31 December 2018	-	15,056	15,056
At 31 December 2017	-	-	-

#### 15 Tangible fixed assets

	Freehold land and buildings £	Leasehold land and buildings £	Plant and equipment £	Computers £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 January 2018	468,805	95,614	297,083	13,943	17,500	892,945
Additions	-	-	14,088	-	-	14,088
Transfer	-	-	-	(13,943)	-	(13,943)
At 31 December 2018	468,805	95,614	311,171	-	17,500	893,090
<b>Depreciation and impairment</b>						
At 1 January 2018	67,685	67,546	274,132	11,127	4,200	424,690
Depreciation charged in the year	10,029	2,609	16,403	-	2,660	31,701
Transfer	-	-	-	(11,127)	-	(11,127)
At 31 December 2018	77,714	70,155	290,535	-	6,860	445,264
<b>Carrying amount</b>						
At 31 December 2018	391,091	25,459	20,636	-	10,640	447,826
At 31 December 2017	401,120	28,068	22,956	2,816	13,300	468,260

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 16 Fixed asset investments

	Listed investments £	Cash in portfolio	Other investments	Total £
<b>Cost or valuation</b>				
At 1 January 2018	1,168,881	114,030	2	1,282,913
Additions	312,235	-	-	312,235
Valuation changes	(81,222)	-	-	(81,222)
Cash movement	-	(44,318)	-	(44,318)
Accrued interest	52	-	-	52
Disposals	(179,041)	-	-	(179,041)
At 31 December 2018	1,220,905	69,712	2	1,290,619
<b>Carrying amount</b>				
At 31 December 2018	1,220,905	69,712	2	1,290,619
At 31 December 2017	1,168,881	114,030	2	1,282,913

	Notes	2018 £	2017 £
Other investments comprise:			
Investments in subsidiaries	28	2	2

### 17 Stocks

	2018 £	2017 £
Finished goods and goods for resale	57,980	87,413

### 18 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Other debtors	10,852	4,911
Prepayments and accrued income	6,585	16,788
	17,437	21,699



# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 19 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Other taxation and social security		2,626	17,819
Deferred income	21	32,134	29,377
Trade creditors		49,001	33,297
Other creditors		1,160	-
Accruals and deferred income		20,995	11,608
		<u>105,916</u>	<u>92,101</u>

### 20 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Deferred income	21	<u>85,733</u>	<u>93,539</u>

### 21 Deferred income

	2018 £	2017 £
Arising from membership subscriptions and journal sales	<u>117,867</u>	<u>122,916</u>

Deferred income comprises journal sales and membership subscriptions which relate to the 2018/19 financial year.

Deferred income also includes life members' subscriptions. This deferred income is adjusted at each accounting date for a regular amount transferred back to income in order to reduce the reserve of future years affected by the future cost of supplying literature etc based on current prices.

Deferred income is included in the financial statements as follows:

	2018 £	2017 £
Balance brought forward	122,916	124,287
Income received in the year	181,745	176,817
Released to income	<u>(186,794)</u>	<u>(178,188)</u>
Balance carried forward	<u>117,867</u>	<u>122,916</u>

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **22 Retirement benefit schemes**

#### **Defined contribution schemes**

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

The charge to profit or loss in respect of defined contribution schemes was £5,508 (2017: £7,857). The amount outstanding at the year end was £1,160 (2017: £nil).

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 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:

	Balance at 1 January 2017	Movement in funds		Balance at 1 January 2018	Movement in funds		Incoming resources	Resources expended	Transfers	Balance at 31 December 2018
	£	£	£	£	£	£	£	£	£	£
Miss Broderick Memorial Fund	940	-	(8)	932	-	-	-	-	-	932
Young People's Account Fund	9,749	1,012	(623)	10,138	9,442	(10,461)	-	-	-	9,119
Presidents Fund - Mrs E A Russell	-	3,007	(3,007)	-	10,824	(11,175)	351	-	-	-
International show	8,062	2,079	(3,426)	6,715	-	-	-	-	-	6,715
Carmarthenshire County Council	903	-	(296)	607	-	(237)	(370)	-	-	-
	19,654	6,098	(7,360)	18,392	20,266	(21,873)	(19)	-	-	16,766

#### 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 - Mrs E A Russell

The 2017/18 President's fundraising event at the 2017 AGM is being held in a restricted reserve and was fully expended during the year by donation money to various charities.

#### International show

Money kept in reserve to cover a potential donation to the International Show 2019 and the funding of the international rosettes for 2019.

#### Carmarthenshire County Council

This grant was provided to assist with the costs associated with setting up a new website. The costs will be spread over the useful life of the asset. This was transferred to unrestricted funds during the year due to the conditions of the income being fulfilled.

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 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 2017	Resources expended	Transfers	Balance at 1 January 2018	Resources expended	Transfers	Balance at 31 December 2018
	£	£	£	£	£	£	£
Educational bursary	3,650	(2,000)	-	1,650	-	-	1,650
Pavillion refurbishment	50,000	(50,000)	10,000	10,000	(10,000)	-	-
Website development	50,000	-	(40,000)	10,000	(10,000)	-	-
IT development	23,000	-	12,000	35,000	(35,000)	45,000	45,000
The Queen's 90th Birthday Celebration Fund	50,000	-	(50,000)	-	-	-	-
Legal costs	-	-	40,000	40,000	(35,000)	30,000	35,000
Capital expenditure	-	-	15,000	15,000	(10,000)	10,000	15,000
GDPR	-	-	15,000	15,000	(15,000)	-	-
AGM	-	-	10,000	10,000	(10,000)	-	-
	176,650	(52,000)	12,000	136,650	(125,000)	85,000	96,650

### Educational bursary

Relates to monies designated to provide educational bursaries. The remaining balance will be spent during the 2019 financial year.

### Pavillion refurbishment

Relates to future costs regarding the refurbishment of the pavillion at the Royal Welsh showground which took place during the 2018 financial year.

### Website development

Relates to future costs regarding the redesign and update of the charity's website which took place during the 2018 financial year.

### IT development

Relates to future costs regarding the redesign and update of the charity's new system which is due to take place during the 2019 financial year.

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 24 Designated funds (Continued)

#### The Queen's 90th Birthday Celebration Fund

Relates to a donation from the Queens 90th Birthday Celebration fund. The society used the donation during the 2017 financial year towards the pavilion refurbishment.

#### Legal costs

Relates to future costs regarding ongoing legal advice which is due to take place during the 2019 financial year.

#### Capital expenditure

Relates to future capital costs to be incurred in 2019 financial year towards work at Bronaeron site.

#### GDPR

Relates to costs to ensure compliance with the new legislation, these costs were fully expended during the 2018 financial year.

#### AGM

Relates to venue and other costs associated with the 2017/18 AGM, these costs were fully expended during the 2018 financial year.

### 25 Analysis of net assets between funds

	Unrestricted 2018 £	Designated 2018 £	Restricted 2018 £	Total 2018 £	Unrestricted 2017 £	Designated 2017 £	Restricted 2017 £	Total 2017 £
Fund balances at 31 December 2018 are represented by:								
Intangible fixed assets	15,056	-	-	15,056	-	-	-	-
Tangible assets	447,826	-	-	447,826	467,653	-	607	468,260
Investments	1,290,619	-	-	1,290,619	1,282,913	-	-	1,282,913
Current assets/(liabilities)	20,846	96,650	16,766	134,262	109,481	136,650	17,785	263,916
Long term liabilities	(85,733)	-	-	(85,733)	(93,539)	-	-	(93,539)
	1,688,614	96,650	16,766	1,802,030	1,766,508	136,650	18,392	1,921,550

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

<b>26 Capital commitments</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
At 31 December 2018 the charity had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	-	12,000
	<u>          </u>	<u>          </u>

<b>27 Operating lease commitments</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
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:		
Within one year	12,910	12,910
Between two and five years	25,012	37,922
	<u>          </u>	<u>          </u>
	37,922	50,832
	<u>          </u>	<u>          </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.

### 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 2018 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 2018

### 29 Related party transactions

There were no disclosable related party transactions during the year (2017- 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.

30	Cash generated from operations	2018 £	2017 £
	(Deficit)/surplus for the year	(119,520)	62,743
	Adjustments for:		
	Investment income recognised in statement of financial activities	(27,566)	(30,421)
	Fair value gains and losses on investments	81,222	(94,087)
	Amortisation and impairment of intangible assets	560	-
	Depreciation and impairment of tangible fixed assets	44,701	48,253
	Movements in working capital:		
	Decrease in stocks	29,433	18,259
	Decrease in debtors	4,262	49,872
	Increase in creditors	11,011	20,199
	(Decrease) in deferred income	(5,049)	(1,371)
	<b>Cash generated from operations</b>	<b>19,054</b>	<b>73,447</b>
31	<b>Analysis of changes in net funds</b>		
	The charity had no debt during the year.		