

Company number: 03072475  
Charity Number: 1050146

# The Pony Club

Report and financial statements  
For the year ended 31 December 2016

# The Pony Club

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### For the year ended 31 December 2016

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## The Pony Club

### Reference and administrative information

For the year ended 31 December 2016

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Company number 030702475  
Charity number 1050146

Country of incorporation United Kingdom  
Country of registration England and Wales

Registered office and operational address The Pony Club  
Stoneleigh Park  
Kenilworth  
Warwickshire  
CV8 2RW

**Trustees** Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Mrs M Tuckett	Chair
Mrs Dawn Taylor	Vice Chair
Mr R Danielli	Treasurer and Secretary (resigned 24 May 2017)
Mrs C Hetherington	Treasurer (appointed 15 May 2017)
Mr C Bromfield	
Mrs L Dorse	(resigned 31 December 2016)
Mr T Hadaway	(resigned 23 May 2016)
Mrs J James	
Mr M Wright	
Mr A W James	(appointed 1 January 2017)
Mrs L M Rose	(appointed 1 January 2017)
Mrs S Starr	(appointed 1 January 2017)
Miss H Westropp	(appointed 1 January 2017)

**Key management personnel**

Mrs C Kirkby	Chief Executive (resigned 31 July 2016)
Ms Rhian Gibson	Chief Executive (appointed 18 September 2017)
Mr I Heaton	Finance and Operations Director (resigned 01 September 2017)

**Bankers** Barclays Bank Plc  
105 The Parade, Leamington Spa, CV32 4AZ

**Solicitors** DWF LLP  
One Colmore Row, Birmingham, B4 6AJ

**Auditor** Sayer Vincent LLP  
Chartered Accountant and Statutory Auditor  
Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

## The Pony Club

### Trustees' annual report

#### For the year ended 31 December 2016

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The Trustees present their report and the audited financial statements for the year ended 31 December 2016.

Reference and administrative information set out on page 2 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

## Objectives and activities

The Pony Club has the following principal objectives:

To promote and advance the education of the public and particularly young people, in all matters relating to the horse, its environment, country lore and agriculture, and to promote and advance the acquisition and distribution of knowledge of all matters concerning the horse.

To educate and assist young persons through their leisure time activities so as to develop their physical, mental and spiritual capacities that they may grow to full maturity as individuals and members of society and that their conditions of life may be improved. In particular, by the provision of instruction for young persons into riding and horsemanship and the care of animals.

The Pony Club uses the following activities to promote its principal objectives:

### Membership

Membership of The Pony Club is open to anyone under 25 years old regardless of gender, race, ethnic origin, religion or sexual orientation. The Pony Club has 338 Branches throughout the United Kingdom and affiliated Pony Clubs in many overseas countries.

Membership is actively encouraged by personal recommendation and increasingly by media coverage the use of online marketing and social media. The Pony Club relies on membership income and entry fees for events in order to cover its operating costs. The Pony Club publishes and produces a range of instructional books, videos, wall charts, etc. These are purchased widely by its Members and are also sold worldwide, particularly to its affiliated overseas clubs. In setting the level of fees and charges, the Trustees give careful consideration to the accessibility of The Pony Club. The Pony Club seeks to encourage riding by young people from all backgrounds and makes available subsidies towards Membership and training costs.

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### Trustees' annual report

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The Pony Club operates a Centre Membership Scheme, which is available to those who do not own their own ponies. The Centre Membership Scheme has grown rapidly since its commencement in 1998 and there are now 480 participating riding schools.

In this time when young people are under increasing pressure The Pony Club aims to support loyalty and friendship between Members, they are encouraged to have fun whilst developing self-confidence, sportsmanship and a sense of responsibility. Members reach high standards of riding and horse care under instruction from well qualified coaches.

#### Members Activities

##### Training opportunities

The primary function of every Branch and Centre is the improvement of members' riding and horsemanship. This is done by using a variety of highly qualified and approved coaches to teach at rallies and camps. The Pony Club measures the popularity of these rallies and camps and seeks feedback from participants in order to assess the effectiveness of the training offered.

For more experienced Members, The Pony Club organises regional training which expands the Members' friendship groups and allows for more specialist coaching on a financially viable basis.

The Rider Development Pathway (now known as the Rider Talent Pathway) is selective training for those who have reached the highest standard of Show jumping, Eventing or Dressage. This is made possible by the generous sponsorship of Aberystwyth University. Riders apply to local selection days from where thirty are chosen to attend a training camp. This camp is an intensive sport specific coaching event where the best coaches and technology are used to assist the riders to make significant improvements in their riding, goal setting and competition resilience. From this camp a six person Rider Development squad is selected to receive additional ongoing support. These riders are expected to represent national teams, to continue with an equestrian career and potentially be future Olympians.

##### Tests

The Pony Club also has two formal test schemes the Efficiency Tests (running from E through to A) and the achievement badge system where Members can earn badges for individual aspects of pony care as well as for first aid, farming, map reading and various competitions. Training for and taking these achievement badges and tests helps Members learn and develop and also gives them formal qualifications which can be used to show their knowledge and skills in the future. The Pony Club monitors how many tests and achievement badges are taken each year and uses this information as one measure of assessing its success as a training organisation.

## The Pony Club

### Trustees' annual report

#### For the year ended 31 December 2016

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##### Competitions

Branches and Centres also organise a variety of competitions. There are a number of competitions that allow Members to compete in teams against other branches or centres. These competitions aim to allow Members to exercise their skills in a well-managed environment and to develop their ability to work as a team. Developing the ability to deal with success and failure both individually and within a team is believed to be a fundamental life skill.

In order to provide opportunity for our most skilled riders, The Pony Club organises national and international competitions in its equestrian sports and activities. These competitions give Members the opportunity to strive for the highest standards of horsemanship, sportsmanship and organisation.

##### Coaches

To provide the enormous number of training days currently offered, The Pony Club relies heavily on its base of outstanding coaches. All coaches are accredited and have to undertake rigorous training and an approval process as well as continuing professional development. A list of approved coaches is maintained by the Pony Club and all branches and centres are encouraged to keep it up to date. The Pony Club actively encourages Members to become coaches and seeks to train as many of its own coaches as possible. It has a well-established programme of Coaching Development Courses. This benefits both The Pony Club and the Members themselves, as becoming a coach teaches them further valuable skills and gives them the opportunity to generate income from teaching riding. By monitoring the number of attendees on coach development courses, the Pony Club can assess whether it is being successful in training future coaches. We are also able to share accredited coaches from other member bodies of The British Equestrian Federation (BEF). The Advance Coaching Course is sponsored by the Worshipful Company of Loriners.

##### Volunteers

The Pony Club is enormously indebted to the honorary unpaid officials who run its 338 Branches and to the many thousands more unpaid volunteers who assist in the huge variety of activities by all the branches. Volunteers are also the main workforce for events such as the Championships and without their help and support, none of these events would take place. It is not possible to put a financial value on this work. The Pony Club recognises volunteers who serve the Pony Club for 20 years or more through the Cubitt Award Program.

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### **Trustees' annual report**

**For the year ended 31 December 2016**

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#### Non-Members' Activities

The Pony Club encourages non-members to access its websites and e-learning sites which contain a huge amount of information which can assist with learning about riding and pony care. It also produces various printed publications which are available for all to purchase, in both paper and electronic means.

The Pony Club also runs the Young Equestrians programme with the BEF. This scheme aims to provide 13–18 year olds with the opportunity to connect with equestrian sport through fun, informal clubs offered at riding centres. Anyone of a suitable age is able to access these groups, they do not need to be a Pony Club Member, and so it makes learning about horses and riding available to a wider group of people. The Pony Club provides centres and the organisers of the groups with information and support to assist them in running fun and informative sessions for the attendees. The Trustees review the aims, objectives and activities of the charity each year and this report summarises its work during the year to 31 December 2016. The review also helps the Trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The Trustees have referred to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

## **Strategic report**

### **Achievements and performance**

All of the Pony Club's activities are undertaken in furtherance of its charitable purposes.

#### Membership

In 2016, The Pony Club received subscriptions for 26,042 Branch memberships, of which 21,768 were girls and 4,274 were boys. This is a 5.7% decrease from 2015.

The Pony Club also received subscriptions for 12,637 Centre memberships. This represents a decrease of 1.6% from 2015. However, some of this decrease was due to Centre Members converting to Centre Plus memberships. Centre Plus membership was introduced as a new form of membership in 2016 and was aimed at those Members who wish to join a Centre rather than a Branch but have their own horse and transport. The price of these memberships was £70, in line with Branch membership. 125 of these memberships were taken in 2016, if these memberships are included with Centre memberships the decline in Centre Members is less than 1%.

## The Pony Club

### Trustees' annual report

#### For the year ended 31 December 2016

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The decline in Pony Club membership continues to be an overriding strategic priority.

#### Members Activities

##### Training

The Pony Club branches held an average of 43 training days in 2016. This is higher than the number held in 2015 (42).

328 Branches held a residential camp and 15,326 Branch Members participated. This is considered a great success as 59% of members spent a week intensively improving their equestrian skills and making lifelong friendships.

The Rider Development Pathway ran successfully in 2016, 145 Members applied and 30 Members attended the training camp at Somerford Park and the six member squad has been selected and is receiving additional training through the support of The Pony Club.

##### Tests

The Pony Club considers the taking of tests to be one measure of its success as a training organisation.

The number of passes awarded to Branch Members in 2016 and 2015 were:

Test	2016	2015
E Test	1,277	1,404
D Test	2,000	1,912
D+ Test	1,862	1,850
Riding & Road Safety Test	1,127	1,160
C Test	1,326	1,411
C+ Test	574	697
B Test Horse & Pony Care	409	371
B Test Riding	332	344
Lunging test	85	74
B+ Test	11	13
A Test Horse & Pony Care	35	37
A Test	6	7
<b>Total</b>	<b>9,044</b>	<b>9,280</b>

The number of tests taken has declined marginally in line with the declining membership and because some of the tests are on a cycle where a year of high numbers will be followed by one of lower numbers due to the preparation time between tests. All the tests were rewritten at the start of 2016 to update and ensure they remain relevant to our Members' learning needs.

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The Pony Club has promoted a series of Achievement Badges which encourage horsemanship, knowledge of other animals, the countryside and competition rules. In 2016, 28,715 badges were awarded to Branch Members (2015 - 28,642 badges). The Pony Club is very excited that these badges are so enthusiastically supported by Members and coaches as young riders are continuing their education in a fun way.

The Pony Club is keen to develop more online learning resources for all its tests and achievement badges, so Members can practise for the theoretical parts of their tests and achievement badges even when they don't have access to a coach.

#### Competitions

Branches and Centres organise thousands of competitions each year and these give Members of all levels the opportunity to practise the skills they have learnt, make new friends and understand team work and competition strategy. The Pony Club encourages the highest standards of sportsmanship. Area competitions are held so that members can qualify for the various National Championship competitions both as teams and individuals.

The Pony Club's biggest and most prestigious competition is the Berkeley Group National Championships for eventing, dressage, show jumping, polocrosse, mounted games and horse and pony care which is held in August at Cholmondley Castle in Cheshire. Some 2,000 riders take part over the five day period. The Pony Club is exceptionally grateful to the main sponsor of this event Berkeley Homes Group. The competition is also supported very generously by The Worshipful Company of Saddlers who present extraordinarily generous prizes. Stonar School, Champion, Howden Group, John Deere, Just Chaps, NFU Mutual, Quipco, Suzuki, Tiggas Saddlery, Timothy Foxx, Likit and Land Rover all kindly sponsored The Pony Club.

The Horse & Pony Care Championship is sponsored by the Blue Cross and it is an integral part of the Championships as well as representing one of the key elements of The Pony Club ethos, the knowledgeable care of animals. The Pony Club is proud of this association with another national charity involved with animal welfare. The Centre equestrian competition is sponsored by Howden and Toggi.

There are a number of competitions at the Championships which provide a great deal of entertainment as well as showcasing all the hard work our Members are prepared to do in order to participate. We are grateful to Naf Equine for sponsoring the Musical Ride competition.

The mounted games finals are also held at the National Championships and Equi-Trek were the kind sponsors of this competition. There are two further prestige competitions held for our elite mounted games riders, one international event held at the Royal Windsor Horse Show and sponsored by DAKS and one held at the Horse of the Year Show.

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### Trustees' annual report

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The El Remanso Polo Championships took place at Cowdray Park and Hurtwood Park in Sussex, whilst Bishops Burton College in Yorkshire hosted the NFU Mutual Tetrathlon Championships. The Dengie Winter League Championships for Dressage and Show Jumping and the NFU Mutual National Quiz were held at a new venue of Addington Manor.

During the winter The Pony Club hold a championship for dressage and show jumping where there are qualifying competitions, regional finals and a national final at Addington Manor. This competition is possible because of the kindness and support given by Dengie Horse Feeds. This competition runs year on year and is the highlight of many of our Member's winter campaign.

In 2016 The Pony Club developed 5 new regional championships in show jumping and dressage, focused on Members who are younger and less experienced allowing them to develop skills in a less formal, quieter environment before progressing to the National Championships. This competition is strictly for those who haven't yet competed at a higher level and is most generously supported by Land Rover.

Members are given the opportunity to compete internationally. In 2016 there were the following international exchanges:

- A mounted games team travelled to Australia to compete against other international teams.
- Ten Members travelled to Ireland to take place in a Tetrathlon exchange.
- Teams from the Irish Pony Club also competed at the Berkeley Group National Championships in the Open Dressage and Show Jumping competitions. Irish teams and individuals also competed at the NFU Mutual Tetrathlon Championships, Regional and Junior Regional Tetrathlon competitions.

#### Coaches

The Pony Club is passionate about developing both the coaches that have been coaching for some years and those who have come through the efficiency test system and wish to extend their knowledge to coaching. Coach Development days are held across the country and 1,574 coaches attended. This is a reduction of 15% on the 1,844 that attended in 2015. As The Pony Club requires coaches to attend CPD on a bi annual cycle there would not be an expectation that exactly the same number of coaches will attend each year.

The Pony Club is a committed participant in the national UK Coaching Certificate (UKCC). 132 candidates participated in UKCC courses in 2016 (2015: 118 candidates).

All Pony Club coaches are required to have a first aid certificate, be DBS cleared, attend a safeguarding course and commit to their continuing professional development. Each branch monitors its coaches to ensure they are up to date and The Pony Club also monitors the register of coaches to maintain the highest standards.

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A growing number of Pony Club Members also participate in YELA (Young Equestrian Leader Award). YELA is an award which was developed by Riding for the Disabled (RDA) for the British Equestrian Federation (BEF) in consultation with many of its Member Bodies. Its aim is to increase and encourage the number of young people volunteering in the Equestrian industry. Many Members also achieve Duke of Edinburgh Awards at all three levels through activities within The Pony Club. Once again, The Pony Club is proud of its association with other charities that promote participation in charitable activities by young people.

#### **Volunteers**

The Pony Club is incredibly proud of the commitment of all its volunteers and fully understands that without these skilled and hardworking individuals the organisation could not run. It is believed that this support is derived from a passion that The Pony Club does such outstanding work in developing young equestrians both with their riding and as individuals. Parents, grandparents and friends as well as local businesses work tirelessly to continue the good work of the The Pony Club. The Pony Club wishes to make sure these volunteers know what a difference they make and that they feel truly appreciated. The Cubitt Awards were given for long service as follows:

20 years – 59 individuals

30 years – 18 individuals

40 years – 5 individuals

50 years – 2 individuals

This is a true testament to these individuals as not only have they dedicated an enormous amount of time and have transformed the lives of many young people but have also embraced a huge change in the way The Pony Club operates.

#### **Beneficiaries of our services**

The main beneficiaries of The Pony Club are the Members who continue to develop as equestrians, custodians of the countryside and competent carers for horses.

Developing Members to the highest possible levels benefits the equestrian industry as it provides the ground work for careers either as riders, grooms, veterinary surgeons and nurses, horse dentists, farriers and those involved in the horse racing industry. The skills of teamwork, sportsmanship,

## **The Pony Club**

### **Trustees' annual report**

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kindness, resilience, dedication, receiving instruction, giving presentations and acting independently are all of value regardless of chosen profession.

There is also a benefit to non-members through our free to access resources and the wider general public through us producing Members who are an asset to society.

#### **Financial review**

The Consolidated financial statements including The Pony Club Office, its Branches and its trading subsidiary company (The Pony Club Trading Limited) for the year ended 31 December 2016 are presented. The financial statements comply with all statutory requirements and the requirements of The Pony Club Memorandum and Articles of Association.

The Pony Club recorded a surplus for the year of £524k (2015: Loss of £122k), on an increased turnover of £13.4 million (2015: £12.7 million). Reserves at the end of the year were £7.9 million (2015 £7.4 million). Approximately 84% of income is derived from three sources, each of which contributed more than £2 million:

Members' Subscriptions – £2.5 million (2015: £2.4 million)

Rally and Camp Fees – £5.9 million (2015: £5.7 million)

Competition Income – £2.8 million (2015: £3.0 million)

The Pony Club aims for its competitions to be profitable, to provide funds to subsidise the rallies, which are the main training component of The Pony Club's activities. Camps, which combine training with a residential stay and other social activities, are expected to break even. Details of these activities are provided in note 3 to the accounts.

In 2016 The Pony Club received a very generous legacy of £380,594 from Mrs Berta Christina Everton. The Pony Club is very grateful to Mrs Everton for her generosity. Although there are no conditions attached to the use of the legacy the trustees have decided to ring fence the sum pending a decision regarding its best use.

The Pony Club undertook a review of the accounting treatment of activities and has reclassified some that were rightfully derived from the activities of the charity. The Pony Club Trading Limited consequently has a reduced turnover for the year ended 31 December 2016 of £590k (2015: £953k). The company made an operating profit of £244k (2015: loss of £105k). Tax losses of £217K were set against this profit and the remaining profit of £27k was donated to the charity. The Pony Club Trading Ltd has accumulated reserves of £16k at 31 December 2016.

We are enormously grateful to the unpaid District Commissioners and Treasurers who have managed their Branch accounts. To run a Branch includes a great deal of local fund raising and administration.

## **The Pony Club**

### **Trustees' annual report**

#### **For the year ended 31 December 2016**

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A number of companies have supported The Pony Club and we are most indebted to them.

The central office funds are insufficient to allow long-term investment. Short-term balances are invested in UK bank deposit accounts. Funds held at Branches are invested by them, and are principally held in UK bank and building society savings accounts.

Total staff costs during the year were £773k (2015: £805k). There is a further analysis of this cost in note 9 to the accounts. Staff costs have been carefully managed in 2016 and some positions remained open including that of the CEO. Some of the staff cost savings have been offset by an increase in pension costs, this is due to The Pony Club undergoing auto enrolment for pension purposes in July 2016.

In accordance with the provisions of the Memorandum of Association of The Pony Club, no remuneration is paid to the Trustees.

A large part of The Pony Club net assets is held at Branches. These assets are used by branches and as such, Branch funds have been treated as designated funds in the Balance Sheet.

All assets are available to continue to fulfil the obligations of the charity in the foreseeable future. Movements in tangible fixed assets are detailed in note 13.

#### **Principal risks and uncertainties**

The Trustees consider the following to be the principal risks and uncertainties facing the organisation and have taken the following steps to address them:

##### **Loss of membership**

Potential loss of membership is considered to be the highest risk to the continued operation of the Pony Club. The Pony Club has increased its marketing activities in order to make sure awareness of the organisation remains high. Significant work is being done to ensure that the activities of The Pony Club offers are relevant and appeals to its intended target audience. Participation costs for Members are kept as low as possible in order to try and ensure that Members are not lost for financial reasons.

##### **Loss of volunteers and associated knowledge, experience and skills.**

The Pony Club is heavily reliant on volunteers. It recognises and supports its volunteers both at local, regional and national level. Both local Branches and the central function do experience change in its volunteer base and so new volunteers are being constantly identified, approached and then trained in order to make sure that there are sufficient volunteers at all levels to continue the smooth running of the organisation.

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#### **Adverse publicity and reputational damage**

Due to the size of the organisation, there is a risk that the activities of employees, volunteers, members and Members' families could potentially bring the organisation adverse publicity. This is minimised by training for volunteers and staff and having readily accessible published guidelines on expected conduct. Any potentially damaging behaviour is dealt with as quickly as possible, at both local and national level, and local Branches receive support with this.

#### **Information technology**

The Pony Club has an increasingly sophisticated information technology system, involving databases of information and areas such as local Branch websites and email addresses to improve marketing and communication. In order to ensure that the systems are functioning correctly and are kept up to date, the organisation employs in house developers and external contractors to service and upgrade the systems and deliver training and guidance to users. There will be continued upgrading of existing systems and new systems brought into place.

#### **Financial**

The Pony Club is exposed to financial risks as a result of its day to day activities and could potentially face financial loss on individual events, legal action or a large scale loss of membership. For this reason, the Pony Club holds a number of insurance policies and also monitors its reserves carefully and holds what the Trustees consider to be sufficient reserves in order to be able to deal with any potential losses.

#### **Reserves Policy and going concern**

At 31 December 2016, the unrestricted funds of the Charity totalled £7,925k (2015: £7,405k). Of this sum £6,818k (2015: £6,720k) represents funds held by Branches and Areas, leaving £1,092k held in central reserves (2015: £885k) and £16k (2015: a deficit of £200k) held by The Pony Club Trading Limited. Total expenditure was £12.9 million (2015: £12.9 million), so unrestricted reserves stood at the equivalent of 7.4 months' expenditure (2015: 7.1 months).

The central Pony Club office and Pony Club Trading Limited need to fund working capital and given the unpredictable nature of certain income and expenditure, the Board believes that the unrestricted reserves to be retained centrally should equate to three months' expenditure for both parties. Central Office expenditure during the year amounted to £2.85 million, therefore total central reserves were equivalent to 4.6 months of expenditure.

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#### **Plans for the future**

The Pony Club has a range of plans for its future, both operationally and in terms of its offering to its Members.

The Pony Club is aware it must continue to provide an up to date brand image, user friendly websites and membership information and training that is relevant to the young equestrians it serves. All projects undertaken by the marketing and IT departments will continue into 2017 and beyond with the objective of stabilising and then growing its membership numbers.

It will also review what opportunities and benefits it offers and make sure that they are clear, relevant and understandable to members and their parents and guardians. It will look at restructuring its membership system to offer a wider range of membership options so that people can choose the membership that is appropriate for them.

The Pony Club intends to continue to make better use of technology going forwards to ensure that it operates in the most efficient manner and also has a strong online presence in order to stay relevant and visible in an increasingly online world. In May 2016, it launched its new database system, Unity, which was designed to allow it to more easily manage its membership, coach and events records. In 2017 it has then continued to build upon this system to develop a full online membership subscription system, amongst other planned developments to all aspects of Unity.

The Pony Club is also working on redesigning a number of its websites and will continue this work into 2018 to ultimately ensure all its websites are suitable for use by its stakeholders and are a true reflection of all that the Pony Club has to offer.

The Pony Club will also look to expand its commercial operations where possible, both via areas such as royalty arrangements and its investment strategy and also via its subsidiary trading company, so as to generate increased turnover and profits to reinvest in the charitable activities of the organisation.

The Pony Club is an active member of the British Equestrian Federation (BEF) and will look to continue to contribute to the objectives of the Federation. It will continue to develop and administrate the Young Equestrians project in collaboration with the BEF and also play a full role in all other essential areas, such as coaching development, safeguarding and participation.

#### **Structure, governance and management**

The organisation is a charitable company limited by guarantee, incorporated in England and Wales on 26 June 1995 and registered as a charity on 1 January 1997.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

## **The Pony Club**

### **Trustees' annual report**

#### **For the year ended 31 December 2016**

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All trustees give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in note 9 to the accounts.

The Pony Club Trading Limited was incorporated in England and Wales on 16 December 1996, as a wholly owned subsidiary of The Pony Club. The results of that company are consolidated within these financial statements.

#### **Structure**

For the purpose of administration, the United Kingdom is divided into 19 Areas and local Branches are grouped into Areas as defined by the Equestrian Council. The District Commissioners in each Area elect a voluntary Area Representative to co-ordinate and assist the activities of these Branches.

The Centre Membership Scheme commenced in 1998, designed for children who do not have their own ponies. It operates in conjunction with established riding centres, which have been approved by The Pony Club to participate in the scheme. They have undertaken to provide both instruction and the benefits of Membership to young people who do not have their own pony.

#### **Governance**

The Board of Trustees is the ultimate authority of The Pony Club. Reporting to the Board are the Equestrian Council, the Management Committee, and the Chief Executive.

The Equestrian Council is responsible for the full range of equestrian activities, including Branch and Centre Membership, tack, dress, tests and competitions. The Trustees delegate their functions with regard to the equestrian activities of The Pony Club to the Equestrian Council. The Equestrian Council in turn appoints committees to organise and administer particular aspects of its activities. These committees are Training, Health & Safety, Centre Membership, Eventing, Show Jumping, Dressage, Mounted Games, Tetrathlon, Polo, Polocrosse, Endurance and Pony Racing. Each Committee has at least two Area Representatives on it. From time to time the Equestrian Council or its committees may co-opt persons with specific expertise to assist their deliberations.

The Management Committee is the executive body charged with the administration of The Pony Club in accordance with the policies and guidelines.

The Chief Executive is an employee of The Pony Club, responsible for administering the activities of The Pony Club and the Office within the policies and procedures established by the Board of Trustees and the Equestrian Council, and in accordance with statutory requirements and the approved budget.

The Board of Trustees has reviewed the major strategic, business and operational risks to which the Charity is exposed and systems have been established to manage these risks. Risk management is an ongoing process and a continuous review process is in place to monitor and control significant risks to mitigate the impact that they may have on the Charity in the future.

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### **Trustees' annual report**

#### **For the year ended 31 December 2016**

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Third Party Indemnity Insurance is in place in respect of the Trustees (as directors of the company).

#### **Appointment of Trustees**

Trustees of the Charity are also company directors as a matter of company law.

In accordance with the Articles of Association of The Pony Club, the Board of Trustees is responsible for the appointment of Trustees. Any Trustee who is appointed by the Board of Trustees will hold office until the next AGM or EGM, at which the members of The Pony Club will determine by special resolution whether to re-appoint them as Trustees.

One third of the Trustees must retire at each AGM (with those having served longest retiring first) and are eligible for reappointment.

When there are vacancies for Trustees, these vacancies are advertised and applications are invited. The Trustees then review all the applications and appoint new Trustees in line with the Articles of Association.

#### **Trustee Induction and training**

New Trustees will attend a training day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the strategic plan, and the recent financial performance of the Charity. During the induction day they meet key employees.

#### **Related parties and relationships with other organisations**

The Pony Club has a wholly owned subsidiary undertaking, The Pony Club Trading Limited.

#### **Remuneration policy for key management personnel**

Remuneration of key management personnel is set by the Board of Trustees.

#### **Statement of responsibilities of the trustees**

The Trustees (who are also directors of The Pony Club for the purposes of company law) are responsible for preparing the Trustees' Annual Report including the strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

## The Pony Club

### Trustees' annual report

#### For the year ended 31 December 2016

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Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company or group for that period. 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 and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 charitable company 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 charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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

Members of the Charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

The Trustees are members of the Charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the Charity.

## **The Pony Club**

### **Trustees' annual report**

**For the year ended 31 December 2016**

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#### **Auditor**

Sayer Vincent LLP was re-appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The Trustees' annual report which includes the strategic report has been approved by the Trustees on 25 September 2017 and signed on their behalf by

Mary Tuckett  
Chairman

## Independent auditor's report

to the members of

The Pony Club

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### Opinion

We have audited the financial statements of The Pony Club (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2016 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated 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 group's and of the parent charitable company's affairs as at 31 December 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

### 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

## **Independent auditor's report**

**to the members of**

**The Pony Club**

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### **Other information**

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

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has been prepared in accordance with applicable legal requirements

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- The parent charitable company financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

## **Independent auditor's report**

**to the members of**

**The Pony Club**

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### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent 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**

This report is made solely to the charitable company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. 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.

## Independent auditor's report

to the members of

### The Pony Club

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Jonathan Orchard (Senior statutory auditor)

25 September 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditor  
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Pony Club

Consolidated statement of financial activities (incorporating an income and expenditure account)

For the year ended 31 December 2016

	Note	Unrestricted £	Restricted £	2016 Total £	Unrestricted £	Restricted £	2015 Total £
<b>Income from:</b>							
Donations and legacies	2	472,993	5,000	<b>477,993</b>	106,866	100	106,966
Charitable activities							
Subscriptions	3	2,522,933	-	<b>2,522,933</b>	2,366,770	-	2,366,770
Training	3	5,915,632	5,000	<b>5,920,632</b>	5,688,958	5,000	5,693,958
Competitions	3	2,837,097	-	<b>2,837,097</b>	2,993,119	-	2,993,119
Other trading activities	4	1,240,142	-	<b>1,240,142</b>	1,134,430	-	1,134,430
Investments	5	12,864	7	<b>12,871</b>	12,186	5	12,191
Other	6	339,923	36,792	<b>376,715</b>	404,615	22,216	426,831
<b>Total income</b>		<b>13,341,584</b>	<b>46,799</b>	<b>13,388,383</b>	<b>12,706,944</b>	<b>27,321</b>	<b>12,734,265</b>
<b>Expenditure on:</b>							
Raising funds	7	907,564		<b>907,564</b>	890,145	-	890,145
Charitable activities							
Training	7	8,396,995	31,033	<b>8,428,028</b>	8,196,541	23,781	8,220,322
Competitions	7	3,516,691	12,344	<b>3,529,035</b>	3,743,829	1,701	3,745,530
<b>Total expenditure</b>		<b>12,821,250</b>	<b>43,377</b>	<b>12,864,627</b>	<b>12,830,515</b>	<b>25,482</b>	<b>12,855,997</b>
<b>Net income / (expenditure) for the year</b>	8	<b>520,334</b>	<b>3,422</b>	<b>523,756</b>	<b>(123,571)</b>	<b>1,839</b>	<b>(121,732)</b>
Transfers between funds		-	-	-	-	-	-
<b>Net movement in funds</b>		<b>520,334</b>	<b>3,422</b>	<b>523,756</b>	<b>(123,571)</b>	<b>1,839</b>	<b>(121,732)</b>
<b>Reconciliation of funds:</b>							
Total funds brought forward		7,404,945	5,581	<b>7,410,526</b>	7,528,516	3,742	7,532,258
<b>Total funds carried forward</b>		<b>7,925,279</b>	<b>9,003</b>	<b>7,934,282</b>	<b>7,404,945</b>	<b>5,581</b>	<b>7,410,526</b>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 24 to the financial statements.

The Pony Club

Balance sheets

Company no. 03072475

As at 31 December 2016

	Note	The group		The charity	
		2016 £	2015 £	2016 £	2015 £
<b>Fixed assets:</b>					
Tangible assets	13	1,349,505	1,346,547	1,349,505	1,346,547
Investments	14	-	-	2	2
		<u>1,349,505</u>	<u>1,346,547</u>	<u>1,349,507</u>	<u>1,346,549</u>
<b>Current assets:</b>					
Stock	16	308,885	400,731	191,600	213,691
Debtors	17	444,058	378,313	579,604	776,287
Bank and building society deposits and investments	18	3,334,028	2,879,407	3,334,028	2,879,407
Bank current accounts and cash in hand	19	3,224,841	3,174,874	3,177,983	3,107,008
		<u>7,311,812</u>	<u>6,833,325</u>	<u>7,283,215</u>	<u>6,976,393</u>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	20	727,035	769,346	714,273	711,981
<b>Net current assets</b>		<u>6,584,777</u>	<u>6,063,979</u>	<u>6,568,942</u>	<u>6,264,412</u>
<b>Total assets less current liabilities</b>		<u>7,934,282</u>	<u>7,410,526</u>	<u>7,918,449</u>	<u>7,610,961</u>
<b>Total net assets</b>		<u>7,934,282</u>	<u>7,410,526</u>	<u>7,918,449</u>	<u>7,610,961</u>
<b>Funds:</b>	24				
Restricted income funds		9,003	5,581	9,003	5,581
Unrestricted income funds:					
Designated funds		6,817,823	6,719,991	6,817,823	6,719,991
Non-charitable trading funds		15,833	(200,435)	-	-
General funds		1,091,623	885,389	1,091,623	885,389
Total unrestricted funds		<u>7,925,279</u>	<u>7,404,945</u>	<u>7,909,446</u>	<u>7,605,380</u>
<b>Total funds</b>		<u>7,934,282</u>	<u>7,410,526</u>	<u>7,918,449</u>	<u>7,610,961</u>

Approved by the trustees on 25 September 2017 and signed on their behalf by

Mrs M Tuckett  
Chairman

# The Pony Club

## Consolidated statement of cash flows

For the year ended 31 December 2016

	Note	2016		2015	
		£	£	£	£
<b>Cash flows from operating activities</b>	25				
<b>Net cash provided by operating activities</b>			792,203		466,275
<b>Cash flows from investing activities:</b>					
Interest from investments		12,871		12,191	
Purchase of fixed assets		(301,602)		(286,984)	
<b>Net cash used in investing activities</b>			(288,731)		(274,793)
<b>Cash flows from financing activities:</b>					
Increase (repayments) of borrowing		1,116		(75,409)	
<b>Net cash provided by / (used in) financing activities</b>			1,116		(75,409)
<b>Change in cash and cash equivalents in the year</b>			504,588		116,073
Cash and cash equivalents at the beginning of the year			6,054,281		5,938,208
<b>Cash and cash equivalents at the end of the year</b>	26		<u>6,558,869</u>		<u>6,054,281</u>

**1 Accounting policies**

**a) Statutory information**

The Pony Club is a charitable company limited by guarantee and is incorporated in the United Kingdom. The registered office address and principal place of business is Stoneleigh Park, Kenilworth, Warwickshire, CV8 2RW.

**b) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

The statement of financial activities (SOFA) and group balance sheet consolidate the results of The Pony Club (incorporating its Central office and its Branches) and its wholly owned subsidiary undertaking, The Pony Club Trading Limited. Intra-group turnover and profits are eliminated on consolidation.

The results of a small number of Branches, which are not material by assets held or transactions during the year, are excluded from the consolidated accounts due to the late submission of their returns. No separate SOFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006.

**c) Company status**

The charity is a company limited by guarantee. The members of the company are the trustees named on page 1, plus the members of the Equestrian Council and the Branch Operations Directors. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member of the charity.

**d) Public benefit entity**

The charitable company meets the definition of a public benefit entity under FRS 102.

**e) Going concern**

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

**f) Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

**1 Accounting policies (continued)**

**f) Income (continued)**

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

**g) Interest receivable**

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.

**h) Fund accounting**

Other charitable funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of the designated funds are set out in note 16 to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for the particular purposes. The aim and use of each restricted fund is set out in note 16 to the financial statements.

**i) Expenditure and irrecoverable VAT**

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. Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose
- Expenditure on charitable activities includes the costs of training, competition and supporting activities undertaken to further the purposes of the charity and their associated support costs
- Other expenditure represents those items not falling into any other heading

Irrecoverable VAT is charged as a cost across activities based on their proportional incomes.

**j) Allocation of support costs**

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on revenue.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of revenue for each activity.

- |                 |     |
|-----------------|-----|
| ● Raising funds | 12% |
| ● Training      | 59% |
| ● Competitions  | 29% |

**1 Accounting policies (continued)**

**k) Operating leases**

Rental charges are charged on a straight line basis over the term of the lease.

**l) Tangible fixed assets**

Items of equipment are capitalised where the purchase price exceeds £250. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Where fixed assets have been revalued, any excess between the revalued amount and the historic cost of the asset will be shown as a revaluation reserve in the balance sheet.

Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

● Freehold buildings	over 50 years
● Leasehold buildings	over the period of the lease
● Motor Vehicles	over 4 years
● Fixtures and fittings	over 3 to 5 years
● Computer equipment	over 2 years
● Course equipment	over 1 to 10 years
● Improvements to leasehold property	over the life of the lease

**m) Investments in subsidiaries**

Investments in subsidiaries are at cost.

**n) Stocks**

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks. Donated items of stock, held for distribution or resale, are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

**o) Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid net of any trade discounts due.

**p) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

**q) Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**r) Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

# The Pony Club

## Notes to the financial statements

### For the year ended 31 December 2016

#### s) Taxation

The Pony Club is a registered charity and as such is exempt from income and corporation taxes under the provisions of the Income and Corporation Taxes Act 1998.

#### t) Defined contribution pension scheme

Pension contributions are charged to income as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either prepayments or accruals in the balance sheet.

## 2 Income from donations and legacies

	Unrestricted £	Restricted £	2016 total Total £	2015 Total £
Branch donations received	89,160	5,000	<b>94,160</b>	103,753
Other donations received	3,239	–	<b>3,239</b>	3,213
Legacy income received	380,594	–	<b>380,594</b>	–
	<u>472,993</u>	<u>5,000</u>	<u><b>477,993</b></u>	<u>106,966</u>

Other donations received represents donations received at events run during the year. There were no conditions attached to the legacy income received during the year of £380,594 (2015: £nil)

## 3 Income from charitable activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Branch subscriptions	1,767,358	–	<b>1,767,358</b>	1,662,852
Branch gift aid	327,040	–	<b>327,040</b>	324,560
Centre subscriptions	351,837	–	<b>351,837</b>	329,792
Centre gift aid	44,951	–	<b>44,951</b>	46,958
Centre affiliation fees	30,759	–	<b>30,759</b>	1,408
Overseas Branch affiliation fees	988	–	<b>988</b>	1,200
Sub-total for Subscriptions	<u>2,522,933</u>	<u>–</u>	<u><b>2,522,933</b></u>	<u>2,366,770</u>
Central training income	142,431	5,000	<b>147,431</b>	150,080
Branches training income	5,601,473	–	<b>5,601,473</b>	5,426,643
Areas training income	171,728	–	<b>171,728</b>	117,235
Sub-total for Training	<u>5,915,632</u>	<u>5,000</u>	<u><b>5,920,632</b></u>	<u>5,693,958</u>
Central competition income	192,678	–	<b>192,678</b>	525,602
Branches competition income	2,494,869	–	<b>2,494,869</b>	2,353,616
Areas competition income	149,550	–	<b>149,550</b>	113,901
Sub-total for Competitions	<u>2,837,097</u>	<u>–</u>	<u><b>2,837,097</b></u>	<u>2,993,119</u>
Total income from charitable activities	<u><u>11,275,662</u></u>	<u><u>5,000</u></u>	<u><u><b>11,280,662</b></u></u>	<u><u>11,053,847</u></u>

The restricted central training income is for grants received from Sport England, which are channelled through the British Equestrian Federation are for specific purposes as defined in the grant offer letter. These funds are only to be used for this purpose and are therefore shown as restricted funds in note 24.

The Pony Club

Notes to the financial statements

For the year ended 31 December 2016

4 Income from other trading activities

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Trading subsidiary income	546,086	–	546,086	381,513
Branch fundraising income	694,056	–	694,056	752,917
	<u>1,240,142</u>	<u>–</u>	<u>1,240,142</u>	<u>1,134,430</u>

5 Income from investments

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Central bank interest received	3,770	–	3,770	3,976
Branches bank interest received	9,094	7	9,101	8,215
	<u>12,864</u>	<u>7</u>	<u>12,871</u>	<u>12,191</u>

6 Other income

	Unrestricted £	Restricted £	2016 Total £	2015 Total £
Central other income received	45,228	26,033	71,261	138,470
Branches other income received	278,731	10,759	289,490	264,517
Areas other income received	15,964	–	15,964	23,844
	<u>339,923</u>	<u>36,792</u>	<u>376,715</u>	<u>426,831</u>

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7 Analysis of expenditure

	Cost of raising funds £	Charitable activities		Governance costs £	Supports costs £	2016 Total £	2015 Total £
		Training £	Competitions £				
<b>Costs directly allocated to charitable activities:</b>							
Costs of camps	-	3,116,554	-	-	-	<b>3,116,554</b>	3,049,206
Costs of rallies and other training events	-	3,340,265	-	-	-	<b>3,340,265</b>	3,246,735
Costs of competitions	-	-	2,631,271	-	-	<b>2,631,271</b>	2,728,179
<b>Support costs directly attributable to activities:</b>							
Staff costs, travel and other expenses	141,621	51,745	111,316	-	-	<b>304,682</b>	326,435
Meeting costs	-	1,573	4,890	-	-	<b>6,463</b>	12,981
Area representatives	-	16,116	7,729	-	-	<b>23,845</b>	19,893
Centre membership	-	262,230	-	-	-	<b>262,230</b>	251,646
Young Equestrians	-	26,033	-	-	-	<b>26,033</b>	18,782
Branch costs	151,707	723,663	347,063	-	-	<b>1,222,433</b>	1,254,108
Branch depreciation	-	198,893	95,388	-	-	<b>294,281</b>	278,055
Public liability insurance	-	156,448	75,032	-	-	<b>231,480</b>	233,599
Indemnity insurance	-	-	-	13,715	-	<b>13,715</b>	14,636
Trustee expenses	-	-	-	13,898	-	<b>13,898</b>	17,911
Legal and professional	-	-	-	69,214	-	<b>69,214</b>	39,608
Fundraising and publicity	502,181	-	-	-	-	<b>502,181</b>	509,847
<b>Support costs directly attributable by usage:</b>							
Staff costs, travel and other expenses	-	-	-	-	259,607	<b>259,607</b>	275,518
Meeting costs	-	-	-	-	44,199	<b>44,199</b>	65,431
Irrecoverable VAT	-	-	-	-	103,586	<b>103,586</b>	110,132
Central depreciation	-	-	-	-	4,363	<b>4,363</b>	4,460
Premises costs	-	-	-	-	154,660	<b>154,660</b>	105,625
Office costs	-	-	-	-	115,271	<b>115,271</b>	97,510
Accountancy and payroll	-	-	-	-	74,667	<b>74,667</b>	63,192
Other expenses	-	-	-	-	49,729	<b>49,729</b>	132,508
	<b>795,509</b>	<b>7,893,520</b>	<b>3,272,689</b>	<b>96,827</b>	<b>806,082</b>	<b>12,864,627</b>	<b>12,855,997</b>
Governance costs	12,017	57,320	27,490	(96,827)	-	-	-
Support costs	100,038	477,188	228,856	-	(806,082)	-	-
<b>Total expenditure 2016</b>	<b>907,564</b>	<b>8,428,028</b>	<b>3,529,035</b>	<b>-</b>	<b>-</b>	<b>12,864,627</b>	<b>12,855,997</b>
Total expenditure 2015	<b>890,145</b>	<b>8,220,322</b>	<b>3,745,530</b>	<b>-</b>	<b>-</b>	<b>12,855,997</b>	

**8 Net income / (expenditure) for the year**

This is stated after charging:

	2016 £	2015 £
Depreciation	298,644	282,516
Operating lease rentals:		
Property	88,200	47,600
Other	6,460	2,780
Auditors' remuneration (excluding VAT):		
Audit	17,650	17,250
Other services	1,300	1,300
	<u>298,644</u>	<u>282,516</u>

**9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel**

Staff costs were as follows:

	2016 £	2015 £
Salaries and wages	623,139	674,902
Redundancy and termination costs (ex gratia)	17,500	22,985
Social security costs	58,558	66,458
Employer's contribution to defined contribution pension schemes	44,229	22,446
Casual and temporary staff costs	8,966	2,261
Health and life insurance costs	20,545	15,987
	<u>772,937</u>	<u>805,039</u>

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2016 No.	2015 No.
£70,000 – £79,999	<u>1</u>	<u>1</u>

The pension contributions relating to the above employee were £5,037 (2015: £2,708)

The total employee benefits (including employer pension contributions, employer's national insurance and redundancies) of the key management personnel were £153,800 (2015: £193,432). The organisation considers key management personnel to be the Chief Executive and the Finance and Operations Director. The reduction in aggregate remuneration in 2016 is due to a change in Chief Executive Officer during the year.

The total paid to employees as ex gratia redundancy and terminations costs in the period was £17,500 (2015: £22,985)

No remuneration is paid to any trustees. Trustees' expenses were reimbursed to 8 (2015: 9) trustees during the year.

Trustees' expenses represents the payment or reimbursement of costs as follows:

	2016 No.	2015 No.
Travel and subsistence costs	17,175	22,195
Other costs	2,076	738
	<u>17,175</u>	<u>22,195</u>

**10 Staff numbers**

The average number of employees (head count based on number of staff employed) during the year was as follows:

	2016 No.	2015 No.
Training	3.5	2.0
Competitions	5.0	5.0
Fundraising	6.0	5.5
Other central functions	11.0	12.0
	<u>25.5</u>	<u>24.5</u>

The full-time equivalent average number of employees during the year was as follows:

	2016 No.	2015 No.
Training	2.0	2.0
Competitions	5.0	5.0
Fundraising	6.0	5.0
Other central functions	10.5	10.0
	<u>23.5</u>	<u>22.0</u>

**11 Related party transactions**

There were no related party transactions to disclose for 2016 (2015: none)

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

**12 Taxation**

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary The Pony Club Trading Limited gift aids any available profits to the parent charity. Its charge to corporation tax in the year was:

	2016 £	2015 £
UK corporation tax at 20% (2015: 20%)	-	-
	<u>-</u>	<u>-</u>

## 13 Tangible fixed assets

## The group and the charity

	Freehold and leasehold land and buildings £	Improvements to property £	Fixtures, fittings and equipment £	Course equipment, caravans and motor vehicles £	Total £
<b>Cost</b>					
At the start of the year	777,720	–	1,182,192	2,061,509	4,021,421
Additions in year	4,800	5,310	78,602	212,890	301,602
Disposals in year	–	–	(58,945)	(138,335)	(197,280)
Reclassification	–	–	(11,587)	11,587	–
At the end of the year	782,520	5,310	1,190,262	2,147,651	4,125,743
<b>Depreciation</b>					
At the start of the year	37,998	–	992,913	1,643,963	2,674,874
Charge for the year	6,771	–	77,291	214,582	298,644
Eliminated on disposal	–	–	(58,945)	(138,335)	(197,280)
Reclassification	–	–	(9,332)	9,332	–
At the end of the year	44,769	–	1,001,927	1,729,542	2,776,238
<b>Net book value</b>					
At the end of the year	737,751	5,310	188,335	418,109	1,349,505
At the start of the year	739,722	–	189,279	417,546	1,346,547

All of the above assets are used for charitable purposes.

## 14 Subsidiary undertaking

The charitable company owns the whole of the issued ordinary share capital of The Pony Club Trading Limited, a company registered in England (company number 3294943). The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2016 £	2015 £
Turnover	590,129	953,072
Cost of sales	(248,287)	(930,835)
Gross profit	341,842	22,237
Administrative expenses	(98,097)	(126,949)
Donations made to The Pony Club under Gift Aid	(27,477)	–
Profit / (loss) for the financial year	216,268	(104,712)
The aggregate of the assets, liabilities and funds was:		
Assets	192,326	288,271
Liabilities	(176,489)	(488,702)
Funds	15,837	(200,431)

**15 Parent charity**

The parent charity's gross income and the results for the year are disclosed as follows:

	2016 £	2015 £
Gross income	13,095,804	11,827,150
Result for the year	307,488	(17,020)

**16 Stock**

	The group		The charity	
	2016 £	2015 £	2016 £	2015 £
Goods for resale and issue to Members	308,885	400,731	191,600	213,691
	<u>308,885</u>	<u>400,731</u>	<u>191,600</u>	<u>213,691</u>

**17 Debtors**

	The group		The charity	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	98,339	79,642	80,940	59,430
Account owed by subsidiary undertaking	–	–	136,251	431,338
Gift Aid donations owed by subsidiary undertaking	–	–	27,477	–
Prepayments and accrued income	345,719	298,671	334,936	285,519
	<u>444,058</u>	<u>378,313</u>	<u>579,604</u>	<u>776,287</u>

Amounts due from the charity's trading company, The Pony Club Trading Ltd, are secured by a debenture giving a charge over the entire assets and undertakings of the company. This loan is repayable on demand.

All of the group's financial instruments, both assets and liabilities, are measured at amortised cost. The carrying values of these are shown above and also in notes 18, 19 and 20 and below.

**18 Bank and building society deposits and investments**

	The group		The charity	
	2016 £	2015 £	2016 £	2015 £
Central	807,685	501,593	807,685	501,593
Branches	2,526,343	2,377,814	2,526,343	2,377,814
	<u>3,334,028</u>	<u>2,879,407</u>	<u>3,334,028</u>	<u>2,879,407</u>

**19 Bank current accounts and cash in hand**

	The group		The charity	
	2016 £	2015 £	2016 £	2015 £
Central	322,634	200,201	322,634	200,201
Branches	2,855,349	2,906,807	2,855,349	2,906,807
Trading subsidiary	46,858	67,866	–	–
	<u>3,224,841</u>	<u>3,174,874</u>	<u>3,177,983</u>	<u>3,107,008</u>

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20 Creditors: amounts falling due within one year

	The group		The charity	
	2016	2015	2016	2015
	£	£	£	£
Other loans	3,010	1,894	3,010	1,894
Trade creditors	268,117	297,009	255,756	255,988
Taxation and social security	23,279	50,429	23,279	50,429
Other creditors	3,734	4,764	3,734	4,764
Accruals	164,886	126,467	164,485	125,123
Deferred income (note 21)	264,009	288,783	264,009	273,783
	<b>727,035</b>	<b>769,346</b>	<b>714,273</b>	<b>711,981</b>

21 Deferred income

Deferred income comprises of income received for centre membership and events taking place in the following financial year.

	The group		The charity	
	2016	2015	2016	2015
	£	£	£	£
Balance at the beginning of the year	288,783	246,481	273,783	246,481
Amount released to income in the year	(288,783)	(246,481)	(273,783)	(246,481)
Amount deferred in the year	264,009	288,783	264,009	273,783
Balance at the end of the year	<b>264,009</b>	<b>288,783</b>	<b>264,009</b>	<b>273,783</b>

22a Analysis of group net assets between funds (current year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	11,195	1,338,310	-	1,349,505
Net current assets	1,080,426	5,495,350	9,003	6,584,779
Net assets at 31 December 2016	<b>1,091,621</b>	<b>6,833,660</b>	<b>9,003</b>	<b>7,934,284</b>

22b Analysis of group net assets between funds (prior year)

	General unrestricted	Designated funds	Restricted funds	Total funds
	£	£	£	£
Tangible fixed assets	9,802	1,336,745	-	1,346,547
Net current assets	875,584	5,182,814	5,581	6,063,979
Net assets at 31 December 2015	<b>885,386</b>	<b>6,519,559</b>	<b>5,581</b>	<b>7,410,526</b>

23 Share Capital

The Pony Club is a company limited by guarantee, having no share capital. In the event of The Pony Club being wound up, each person who is at that time a member of the company, or has ceased to be a member within one year of that date, is liable to contribute to The Pony Club such amount as may be required not exceeding one pound.

## 24a Movements in funds (current year)

	At 1 January 2016 £	Income £	Expenditure £	Transfers £	At 31 December 2016 £
<b>Restricted funds:</b>					
Sport England	-	31,033	(31,033)	-	-
Other funds	5,581	15,766	(12,344)	-	9,003
<b>Total restricted funds</b>	<b>5,581</b>	<b>46,799</b>	<b>(43,377)</b>	<b>-</b>	<b>9,003</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Branch / Area funds	6,719,991	11,346,413	(11,248,581)	-	6,817,823
Non charitable trading	(200,435)	590,129	(373,861)	-	15,833
General funds	885,389	2,895,298	(2,689,064)	-	1,091,623
<b>Total unrestricted funds</b>	<b>7,404,945</b>	<b>14,831,840</b>	<b>(14,311,506)</b>	<b>-</b>	<b>7,925,279</b>
<b>Total funds at 31 December 2016</b>	<b>7,410,526</b>	<b>14,878,639</b>	<b>(14,354,883)</b>	<b>-</b>	<b>7,934,282</b>

## 24b Movements in funds (prior year)

	At 1 January 2015 £	Income £	Expenditure £	Transfers £	At 31 December 2015 £
<b>Restricted funds:</b>					
Sport England	-	23,781	(23,781)	-	-
Other funds	3,742	3,540	(1,701)	-	5,581
<b>Total restricted funds</b>	<b>3,742</b>	<b>27,321</b>	<b>(25,482)</b>	<b>-</b>	<b>5,581</b>
<b>Unrestricted funds:</b>					
Designated funds:					
Branch / Area funds	6,654,824	10,902,277	(10,837,110)	-	6,719,991
Non charitable trading	(95,723)	953,072	(1,057,784)	-	(200,435)
General funds	969,415	2,022,615	(2,106,641)	-	885,389
<b>Total unrestricted funds</b>	<b>7,528,516</b>	<b>13,877,964</b>	<b>(14,001,535)</b>	<b>-</b>	<b>7,404,945</b>
<b>Total funds at 31 December 2015</b>	<b>7,532,258</b>	<b>13,905,285</b>	<b>(14,027,017)</b>	<b>-</b>	<b>7,410,526</b>

**24 Movements in funds (continued)****Purposes of restricted funds**

Grants received from the Sport England, which are channelled through the British Equestrian Federation are for specific purposes as defined in the grant offer letter.

Other funds represent funds received by individual branches or headquarters for specific projects as defined by the donor

**Purposes of designated funds**

Branch funds represent accumulated reserves of the individual Branches and Areas of The Pony Club. Although these reserves form part of the unrestricted funds of The Pony Club, Trustees recognise that in normal circumstances the funds will be used by the individual Branches to further the objectives of The Pony Club within their geographical area of activity. New designations represent income during the year and utilised funds represent expenditure for the year.

Non charitable trading funds are the reserves of the trading subsidiary.

**25 Reconciliation of net income / (expenditure) to net cash flow from operating activities**

	2016 £	2015 £
<b>Net (expenditure) / income for the reporting period (as per the statement of financial activities)</b>	<b>523,756</b>	<b>(121,732)</b>
Depreciation charges	298,644	282,515
Investment income	(12,871)	(12,191)
Decrease in stock	91,846	94,743
(Increase) / decrease in debtors	(65,745)	98,323
(Decrease) / increase in creditors	(43,427)	124,617
<b>Net cash provided by operating activities</b>	<b>792,203</b>	<b>466,275</b>

**26 Analysis of cash and cash equivalents**

	At 1 January £	Cash flows £	Other changes £	At 31 December 2016 £
Bank current accounts and cash in hand	3,174,874	49,967	-	<b>3,224,841</b>
Bank and building society deposits and investments	2,879,407	454,621	-	<b>3,334,028</b>
<b>Total cash and cash equivalents</b>	<b>6,054,281</b>	<b>504,588</b>	<b>-</b>	<b>6,558,869</b>

**27 Operating lease commitments**

The group's and the charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Property		Equipment	
	2016 £	2015 £	2016 £	2015 £
Less than one year	52,800	47,600	6,460	6,460
One to five years	52,800	95,200	3,700	10,160
Over five years	-	-	-	-
	<b>105,600</b>	<b>142,800</b>	<b>10,160</b>	<b>16,620</b>