

**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 2016**

# 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 2016

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The trustees are pleased to present their annual directors' report together with the financial statements of the society year ending 31 December 2016 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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 governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)".

#### **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 and two magazines/newsletters per annum. 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 2016

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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 2016

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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. The society's Breed leaflet is 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 for information in this area.

Open Forums, where members are able to directly contact trustees and officers with their concerns or suggestions, have taken place during the year across the UK. The society met with the Area Associations on the morning of the 2016 AGM and intends to do so again in 2017. 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 2016 the Young Judges Competition in August and the Judges Panel 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 more than 10 shows and events this year in the UK, promoting the society, providing services to Members' and potential members, passing on educational material and information and selling promotional goods.

The society's journal is the envy of other equestrian organisations, however, like many printed media, it is faced by rising printing and postage costs and continuing decline in advertising revenue as a result of members investing in their own websites. Council remains committed to the production of an annual journal and will ensure the most effective use of resources during 2017.

Educational bursaries were available and two applications were successful in 2016 totalling £4,000. In addition a new bi-annual Young Peoples Group Scholarship Award was launched in 2016 with two applicants successfully being awarded a total of £1,500.

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

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# THE WELSH PONY AND COB SOCIETY

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

### FOR THE YEAR ENDED 31 DECEMBER 2016

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

- Production of a top quality Journal for 2017, 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.
- Development and implementation of a 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.
- A judges assessment day on the 10th of September 2016 resulting in the successful advancement of equine owners and breeders to become probationary judges and thereby encouraging improvement, advancing provision for the public benefit of facilities for recreation or other leisure time occupation.
- Replacement of the mobile exhibition unit with a more economical vehicle to continue advancing public education across Wales and the UK and to promote the breeding and improvement of animals.
- Refurbishment of the exterior of the Welsh Pony and Cob Society Pavilion at the Royal Welsh Showground providing a static unit for the promotion of the breeding and improvement of animals, advancing public education to visitors to events held on the showground, and the promotion of education and welfare initiatives.

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>2016 Market Value £</b>	<b>2016 Cost £</b>	2015 Market Value £	2015 Cost £
Fixed Interest	212,445	199,910	194,400	189,781
Equities	888,241	677,085	996,874	885,813
	1,100,686	876,995	1,191,274	1,075,594

The income received from these investments held during the year was £30,300 (2015: £31,961). 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 2016

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#### Financial review

The society has been operating in turbulent financial times and remained reactive to the challenges that overwhelmed some other equestrian organisations. Declines in membership and registrations were anticipated and positive steps previously taken to ensure costs were maintained at the end of the 2016 year. Whilst membership and registration income did decrease during the financial year they only fell 5% on the previous year with income from educational, welfare and promotional goods and judging and showing business decreasing by 25%. This is something the society are looking to address during the 2017 financial year.

The society made an overall surplus of £110,240 for the year ended 31st December 2016 consisting of an unrestricted surplus of £111,040 and a restricted deficit of £800.

The society has made a surplus during the 2016 financial year, however once removing the gain on investments and the one off donation received from The Queens 90th Birthday Celebration Fund a deficit of over £76k has been made. 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 2016 the free reserves stand at £1,149,387. During 2016 £145,660 was transferred out of reserves to fund IT software development, the refurbishment of the exterior of the Pavilion, a mobile exhibition unit and a bulk order of medals.

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 may include a new or improved website, the refurbishment of the interior of the Pavilion, a new telephone system and a new boiler system.

Reserves in 2017 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 Council recognises that it should not be retaining income funds that should be paid out in the fulfilment of its charitable objectives. The Council undertakes to:

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

# THE WELSH PONY AND COB SOCIETY

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

### FOR THE YEAR ENDED 31 DECEMBER 2016

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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 due to go live in 2017.
- 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.

There are key areas of development and investment planned over the next year. The society's business plan for 2017-2018 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.

During 2017 the society will hold a Judges Conference in the autumn and carry out a root to branch review of policies and procedures that have an impact upon animal welfare; produce and promote a media presentation on obesity in equines; develop an initiative delivering educational and welfare visits; 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 will include the interior refurbishment of the Welsh Pony and Cob Society Pavilion at the Royal Welsh Showground and replacement server and telephone systems at Bronaeron.

The internet continues to be an excellent avenue for communication. The website attracted on average 10,000 visitors each month, the Facebook page has over 38,000 "likes" and the Twitter account has over 500 followers.

Trustee training has been consolidated during 2016 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.

# THE WELSH PONY AND COB SOCIETY

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

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 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 5th April 2014.

The trustees, who are also the directors for the purpose of company law, and who served during the year were:

Ms A J Kember	(Resigned 2 April 2016)
Mr J T Kirk	
Ms D M Leyson	(Resigned 2 April 2016)
Mr P N E Morgan	
Mr S F Franklin	(Resigned 2 April 2016)
Ms J C Sheil	
Ms G R Thomson	(Resigned 2 April 2016)
Mr D W Roberts	
Ms M A Bigley	(Resigned 7 April 2016)
Mr D Blair	(Resigned 4 April 2016)
Mr J E Evans	
Mr E P J Gummery	
Mr T G Hughes	(Deceased 8 March 2016)
Mr J P Parry	
Mr C Thomas	
Ms D Chambers	(Appointed 2 April 2016)
Mr R J Davies	(Appointed 2 April 2016)
Ms R A Holland	(Appointed 2 April 2016)
Mrs T Hook	(Appointed 2 April 2016)

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 and Vice-Chair of Council 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 2016

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New Council members are provided with an introduction to the Society and their role within its governance through an induction day and a visit to the Society's office. Printed and electronic materials are made available to them at the induction and following on from that on a regular basis either by email or at Council meetings. The induction day is open to all Trustees of the Society, not only those new to the Council. Further information and training is provided on an on-going basis through email, at Council meetings, access to 'Governance' magazine and other externally facilitated events.

In 2016, a Trustee Training Day was provided by Hugh James Solicitors, Effective HRM and Broomfield and Alexander Limited. This valuable training will continue for the benefit of new trustees in 2017.

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

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

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

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

#### REFERENCE AND ADMINISTRATIVE DETAILS

<b>Charity Name</b>	The Welsh Pony and Cob Society
<b>Charity number</b>	222014
<b>Company number</b>	1017832
<b>Registered Office</b>	Bronaeron Felinfach Lampeter SA48 8AG
<b>Key management personnel</b>	Mr R Allen
<b>Secretary</b>	Mr R Allen
<b>President</b>	Mrs E R French
<b>President Elect</b>	Mr I JR Lloyd
<b>Chair of Council</b>	Mr J Kirk
<b>Vice Chair of Council</b>	Mr C Thomas

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# THE WELSH PONY AND COB SOCIETY

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2016

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### Directors of Subsidiary Company

Miss S Hardy  
Mr J T Kirk

### Auditors

Broomfield & Alexander Limited  
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  
Leicesterhsire  
LE87 2BB

### Statement of trustees responsibilities

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 accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare accounts 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 accounts, 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 accounts 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 accounts 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 accounts may differ from legislation in other jurisdictions.

# THE WELSH PONY AND COB SOCIETY

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

*FOR THE YEAR ENDED 31 DECEMBER 2016*

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### **Auditor**

In accordance with the company's articles, a resolution proposing that Broomfield & Alexander Limited 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 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.

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**Mr J T Kirk**

Dated: .....

# THE WELSH PONY AND COB SOCIETY

## INDEPENDENT AUDITOR'S REPORT

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

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We have audited the financial statements of The Welsh Pony and Cob Society for the year ended 31 December 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the charity's trustees, as a body, in accordance with 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 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the statement of trustees responsibilities, the trustees, who are also the directors of The Welsh Pony and Cob Society for the purposes of company law are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

The trustees have elected for the accounts to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts.**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees Report for the financial year for which the accounts are prepared is consistent with the accounts.

# THE WELSH PONY AND COB SOCIETY

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS 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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees Report is inconsistent in any material respect with the accounts; or
- the accounts are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Sarah Case FCA DChA (Senior Statutory Auditor)**  
**for and on behalf of Broomfield & Alexander Limited**

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**Chartered Accountants**  
**Statutory Auditor**

Waters Lane Chambers  
Waters Lane  
NEWPORT  
NP20 1LA  
UK

Broomfield & Alexander Limited is eligible to act as an auditor in terms 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 2016

	Notes	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	47,009	-	47,009	35,947
Charitable activities	4	541,086	5,090	546,176	583,321
Other trading activities	5	15,166	9,042	24,208	16,798
Investments	6	30,355	-	30,355	32,020
Other income	7	12,150	-	12,150	-
<b>Total income and endowments</b>		<b>645,766</b>	<b>14,132</b>	<b>659,898</b>	<b>668,086</b>
<b><u>Expenditure on:</u></b>					
Raising funds	8	33,959	9,464	43,423	32,032
Charitable activities	9	637,910	5,468	643,378	668,301
<b>Total resources expended</b>		<b>671,869</b>	<b>14,932</b>	<b>686,801</b>	<b>700,333</b>
Net gains on investments		137,143	-	137,143	(6,657)
<b>Net movement in funds</b>		<b>111,040</b>	<b>(800)</b>	<b>110,240</b>	<b>(38,904)</b>
Fund balances at 1 January 2016		1,728,113	20,454	1,748,567	1,787,471
<b>Fund balances at 31 December 2016</b>		<b>1,839,153</b>	<b>19,654</b>	<b>1,858,807</b>	<b>1,748,567</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

## BALANCE SHEET

AS AT 31 DECEMBER 2016

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	Notes	2016		2015	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	16		514,019		501,554
Investments	17		1,100,688		1,191,276
			<hr/>		<hr/>
			1,614,707		1,692,830
<b>Current assets</b>					
Stocks	19	105,672		64,674	
Debtors	20	71,572		43,507	
Cash at bank and in hand		233,667		122,686	
		<hr/>		<hr/>	
		410,911		230,867	
<b>Creditors: amounts falling due within one year</b>	21	(74,595)		(81,079)	
		<hr/>		<hr/>	
Net current assets			336,316		149,788
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			1,951,023		1,842,618
<b>Creditors: amounts falling due after more than one year</b>	22		(92,216)		(94,051)
			<hr/>		<hr/>
<b>Net assets</b>			1,858,807		1,748,567
			<hr/> <hr/>		<hr/> <hr/>
<b>Income funds</b>					
Restricted funds	25		19,654		20,454
<u>Unrestricted funds - general</u>					
Designated funds	26	176,650		97,650	
General unrestricted funds		1,662,503		1,630,463	
		<hr/>		<hr/>	
			1,839,153		1,728,113
			<hr/>		<hr/>
			1,858,807		1,748,567
			<hr/> <hr/>		<hr/> <hr/>

# THE WELSH PONY AND COB SOCIETY

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

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	Notes	2016 £	£	2015 £	£
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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 2016, 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 accounts 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 accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The accounts were approved by the Trustees on .....

.....  
Mr P N E Morgan  
**Trustee**

**Company Registration No. 1017832**

# THE WELSH PONY AND COB SOCIETY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

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	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	31		(98,651)		(47,156)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(68,954)		(74,283)	
Proceeds on disposal of tangible fixed assets		20,500		-	
Purchase of investments		(334,174)		(199,259)	
Proceeds on disposal of investments		561,905		266,067	
Interest received		30,355		32,020	
<b>Net cash generated from investing activities</b>			209,632		24,545
<b>Net cash used in financing activities</b>			-		-
<b>Net increase/(decrease) in cash and cash equivalents</b>			110,981		(22,611)
Cash and cash equivalents at beginning of year			122,686		145,297
<b>Cash and cash equivalents at end of year</b>			<u>233,667</u>		<u>122,686</u>

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2016

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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

These accounts have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS 102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS 102.

The accounts are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the accounts, 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 accounts.

#### 1.3 Charitable funds

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

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

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

#### 1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

Donated services are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable.

No amounts are included in the financial statements for services donated by volunteers.

Income from 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. Capital grants are released to the Statement of Financial Activities in the year of receipt. Fixed assets relating to capital grants are capitalised, and depreciation charged is offset against the grant income, in a restricted fund.

Membership and subscriptions income 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.

Sponsorship income is credited to the Statement of Financial Activities in the year in which they are due.

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.

#### 1.6 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% straight line
Leasehold land and buildings	Over the life of the lease
Plant and equipment	10% 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.

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# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

Individual fixed assets costing £500 or more are capitalised at cost.

#### 1.7 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.

#### 1.8 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).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure) for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 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 at 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.

#### 1.10 Cash and cash equivalents

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

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1 Accounting policies

(Continued)

##### 1.11 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.

##### **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 receipts 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.

##### 1.12 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.

##### 1.13 Retirement benefits

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

##### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2016**

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### **1 Accounting policies**

**(Continued)**

#### **1.15 Pensions**

The Society operates a defined contribution pension scheme for all eligible members of staff. The assets of the scheme are held separately from those of the Society. The annual contributions are charged to the profit and loss account and charged against unrestricted funds.

#### **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 the income in order to reduce the reserve of future years affected by the future cost of supplying literature etc based on current prices.

### **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.

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2016	Total 2015
	£	£	£	£
Donations and gifts	47,009	-	47,009	34,947
Legacies receivable	-	-	-	1,000
	<u>47,009</u>	<u>-</u>	<u>47,009</u>	<u>35,947</u>
<b>For the year ended 31 December 2015</b>	<u>34,335</u>	<u>1,612</u>		<u>35,947</u>
<b>Donations and gifts</b>				
Donations and sponsorship	50,672	-	50,672	3,357
Gift aid	(15,513)	-	(15,513)	14,000
Gifts in kind	-	-	-	5,408
Pavillion donations and income	11,850	-	11,850	10,570
International show sponsorship and donations	-	-	-	1,612
	<u>47,009</u>	<u>-</u>	<u>47,009</u>	<u>34,947</u>

The negative gift aid income relates to the 2015 gift aid debtor being reversed due to the society being no longer eligible to reclaim gift aid on its income.

#### Legacies receivable

Mrs R Mills	-	-	-	1,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>

#### Donated goods and services

Gift in kind relate to insurance services provided by Greenlands in exchange for sponsorship services.

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 4 Charitable activities

	2016	2015
	£	£
Subscriptions and life members income	154,808	163,337
Journal sales and advertising	32,989	37,162
Other membership income	7,026	7,114
Registration and passports	220,753	218,822
Transfers and other registration income	88,885	105,611
Promotional goods	9,883	22,708
Judging, medal and rosette income	26,742	25,817
Grants	5,090	2,750
	<u>546,176</u>	<u>583,321</u>
Analysis by fund		
Unrestricted funds - general	541,086	
Restricted funds	5,090	
	<u>546,176</u>	
<b>For the year ended 31 December 2015</b>		
Unrestricted funds - general		580,571
Restricted funds		2,750
		<u>583,321</u>

### 5 Other trading activities

	Unrestricted funds general £	Restricted funds £	Total 2016 £	Total 2015 £
Internet advertising revenue	162	-	162	592
Presidents fundraising and dinner	13,300	9,042	22,342	14,849
Solar panel income	1,704	-	1,704	1,357
	<u>15,166</u>	<u>9,042</u>	<u>24,208</u>	<u>16,798</u>
Other trading activities				
<b>For the year ended 31 December 2015</b>	<u>8,730</u>	<u>8,068</u>		<u>16,798</u>

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 6 Investments

	2016	2015
	£	£
Income from listed investments	30,300	31,961
Interest receivable	55	59
	<u>30,355</u>	<u>32,020</u>

### 7 Other income

	2016	2015
	£	£
Net gain on disposal of tangible fixed assets	12,150	-
	<u>12,150</u>	<u>-</u>

### 8 Raising funds

	Unrestricted funds general £	Restricted funds £	Total 2016 £	Total 2015 £
<u>Fundraising and publicity</u>				
Premium awards	6,208	-	6,208	3,375
Donations and bursaries	16,931	9,244	26,175	20,496
Retiring presidents dinner	10,820	-	10,820	6,431
Young people's expenditure	-	220	220	650
Internet webhosting	-	-	-	1,080
	<u>33,959</u>	<u>9,464</u>	<u>43,423</u>	<u>32,032</u>
<b>For the year ended 31 December 2015</b>				
Fundraising and publicity	19,868	12,164	32,032	32,032
	<u>19,868</u>	<u>12,164</u>	<u>32,032</u>	<u>32,032</u>

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 9 Charitable activities

	Memberships	Registration	Education & promotion	Judging & showing	Other	Total 2016	Total 2015
	£	£	£	£	£	£	£
Magazines and publications	6,624	-	-	-	-	6,624	10,506
Journal costs	33,347	-	-	-	-	33,347	34,366
Membership costs	18,026	-	-	-	-	18,026	21,657
Central prefix register and stud books	-	5,515	-	-	-	5,515	7,222
DNA blood typing and microchips	-	47,979	-	-	-	47,979	26,353
Passport binding	-	6,583	-	-	-	6,583	4,804
Promotional goods and stock	-	-	10,219	-	-	10,219	21,052
Exhibition unit expenses	-	-	10,655	-	-	10,655	15,050
Publicity officers expenses and educational visits	-	-	5,422	-	-	5,422	3,412
Medals, rosettes and engraving	-	-	-	9,772	-	9,772	5,595
Judges conferences	-	-	-	2,490	-	2,490	8,427
Judges and showing handbook	-	-	-	2,931	-	2,931	2,190
International show costs and expenses	-	-	-	-	-	-	1,376
Research work	-	-	-	-	-	-	5,169
	<u>57,997</u>	<u>60,077</u>	<u>26,296</u>	<u>15,193</u>	<u>-</u>	<u>159,563</u>	<u>167,179</u>
Share of support costs (see note 11)	64,044	184,133	40,030	112,080	-	400,287	414,869
Share of governance costs (see note 11)	13,364	38,423	8,353	23,388	-	83,528	86,253
	<u>135,405</u>	<u>282,633</u>	<u>74,679</u>	<u>150,661</u>	<u>-</u>	<u>643,378</u>	<u>668,301</u>
<b>Analysis by fund</b>							
Unrestricted funds - general	135,035	277,543	74,679	150,653	-	637,910	
Restricted funds	370	5,090	-	8	-	5,468	
	<u>135,405</u>	<u>282,633</u>	<u>74,679</u>	<u>150,661</u>	<u>-</u>	<u>643,378</u>	

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

---

### 9 Charitable activities

(Continued)

#### For the year ended 31 December 2015

Unrestricted funds - general	146,245	268,896	89,627	156,525	919	662,212
Restricted funds	463	-	-	1,376	4,250	6,089
	<u>146,708</u>	<u>268,896</u>	<u>89,627</u>	<u>157,901</u>	<u>5,169</u>	<u>668,301</u>

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 10 Description of charitable activities

##### Memberships

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.

#### 11 Support costs

	Support costs	Governance costs	2016	2015	Basis of allocation
	£	£	£	£	
Staff costs	232,294	-	232,294	257,346	Staff costs
Depreciation	48,139	-	48,139	39,149	Staff costs
Other staff costs	6,383	-	6,383	4,226	Staff costs
Postage and stationery	29,886	-	29,886	30,955	Staff costs
Computer costs	8,764	-	8,764	10,718	Staff costs
Equipment rental	5,530	-	5,530	7,805	Staff costs
Repairs and renewals	21,224	-	21,224	14,490	Staff costs
Rates and utilities	11,670	-	11,670	8,985	Staff costs
Insurance	9,572	-	9,572	9,860	Staff costs
Travel and subsistence	5,865	-	5,865	9,815	Staff costs
Telephone	6,055	-	6,055	6,421	Staff costs
Bank charges	14,905	-	14,905	15,099	Staff costs
Audit fees	-	8,500	8,500	8,500	Staff costs
Accountancy fees	-	13,145	13,145	6,150	Staff costs
Legal and professional	-	38,769	38,769	41,662	Staff costs
AGM expenses	-	7,870	7,870	5,794	Staff costs
Meeting expenses	-	4,058	4,058	3,372	Staff costs
Council expenses and training	-	11,186	11,186	20,775	Staff costs
	<u>400,287</u>	<u>83,528</u>	<u>483,815</u>	<u>501,122</u>	
Analysed between					
Charitable activities	<u>400,287</u>	<u>83,528</u>	<u>483,815</u>	<u>501,122</u>	

Governance costs includes payments to the auditors of £8,500 (2015- £8,500) for audit fees.

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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12 Net movement in funds	2016	2015
	£	£
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	8,500	8,500
Depreciation of owned tangible fixed assets	48,139	39,149
Profit on disposal of tangible fixed assets	(12,150)	-
	<u>          </u>	<u>          </u>

### 13 Trustees

No trustees received or waived emoluments during the current or prior year.

A total of £9,733 (2015: £15,167) was incurred in relation to travel, subsistence and accommodation expenses by the following 9 trustees (2015:11).

	£
Mr P N E Morgan	1,043
Mrs A J Kember	1,437
Mrs G R Thomson	1,320
Mrs M A Bigley	128
Mr D Blair	1,943
Mr S F Franklin	578
Mr E P J Gummery	2,625
Mr J P Parry	397
Ms D Chambers	262

The following trustees did not claim expenses during the period; Mr R J Davies, Ms R A Holland, Mr D W Roberts, Ms J Sheil, Mr J E Evans, Mr J T Kirk, Mrs T Hook, Ms D Leyson and Mr C Thomas.

The trustee attendance at meetings during the year was as follows:

Mr P N E Morgan	12 of 14
Mrs A J Kember*	4 of 4
Mrs G R Thomson*	4 of 4
Mrs M A Bigley*	5 of 5
Mr D Blair*	4 of 5
Mr S F Franklin*	5 of 5
Mr D W Roberts	13 of 14
Mr E P J Gummery	13 of 14
Mr J P Parry	12 of 14
Ms J Sheil	11 of 14
Ms D Leyson*	4 of 4
Mr J E Evans	14 of 14
Mr J T Kirk	14 of 14
Mr C Thomas	14 of 14
Mr R J Davies*	9 of 10
Ms R A Holland*	9 of 10
Ms D Chambers*	9 of 10
Mrs T Hook*	10 of 10

\*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 2016

### 14 Employees

#### Number of employees

The average monthly number of employees during the year was:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Office staff	11	15

#### Employment costs

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	211,377	230,982
Social security costs	11,638	12,935
Other pension costs	9,279	13,429
	<u>232,294</u>	<u>257,346</u>

During the year the society made cash payments for redundancy and settlement arrangements totalling £13,282 (2015: £nil). There were no amounts outstanding at the year end.

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

### 15 Related party transactions

There were no disclosable related party transactions during the year (2015- 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.

#### Remuneration of key management personnel

The remuneration of key management personnel which includes the Chief Executive and the trustees was as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	43,799	60,265

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 16 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Computers	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2016	468,805	64,311	274,439	13,943	56,831	878,329
Additions	-	31,303	20,151	-	17,500	68,954
Disposals	-	-	-	-	(56,831)	(56,831)
At 31 December 2016	468,805	95,614	294,590	13,943	17,500	890,452
<b>Depreciation and impairment</b>						
At 1 January 2016	47,627	64,311	207,253	9,543	48,041	376,775
Depreciation charged in the year	10,029	626	35,288	881	1,315	48,139
Eliminated in respect of disposals	-	-	-	-	(48,481)	(48,481)
At 31 December 2016	57,656	64,937	242,541	10,424	875	376,433
<b>Carrying amount</b>						
At 31 December 2016	411,149	30,677	52,049	3,519	16,625	514,019
At 31 December 2015	421,178	-	67,186	4,400	8,790	501,554

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 17 Fixed asset investments

	Listed investments £	Other investments	Total £
<b>Cost or valuation</b>			
At 31 December 2016	1,191,274	2	1,191,276
Additions	334,174	-	334,174
Valuation changes	137,143	-	137,143
Disposals	(561,905)	-	(561,905)
	<hr/>	<hr/>	<hr/>
At 31 December 2016	1,100,686	2	1,100,688
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
At 31 December 2016	1,100,686	2	1,100,688
	<hr/>	<hr/>	<hr/>
At 31 December 2015	1,191,274	2	1,191,276
	<hr/>	<hr/>	<hr/>

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

		2016	2015
	Notes	£	£
Other investments comprise:			
Investments in subsidiaries	30	2	2
		<u>2</u>	<u>2</u>
<b>18 Financial instruments</b>		<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
<b>Carrying amount of financial assets</b>			
Debt instruments measured at amortised cost		55,304	33,113
Equity instruments measured at cost less impairment		1,100,688	1,191,276
		<u>1,156,000</u>	<u>1,224,389</u>
<b>Carrying amount of financial liabilities</b>			
Measured at amortised cost		115,515	122,050
		<u>115,515</u>	<u>122,050</u>
<b>19 Stocks</b>		<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
Finished goods and goods for resale		105,672	64,674
		<u>105,672</u>	<u>64,674</u>
<b>20 Debtors</b>		<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>			
Trade debtors		-	8,569
Other debtors		61,433	31,887
Prepayments and accrued income		10,139	3,051
		<u>71,572</u>	<u>43,507</u>
<b>21 Creditors: amounts falling due within one year</b>		<b>2016</b>	<b>2015</b>
	Notes	<b>£</b>	<b>£</b>
Other taxation and social security		3,838	3,830
Deferred income	23	32,071	38,394
Trade creditors		23,299	27,999
Accruals and deferred income		15,387	10,856
		<u>74,595</u>	<u>81,079</u>

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

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

	2016	2015
	£	£
Life member subscriptions	92,216	94,051
	<u>92,216</u>	<u>94,051</u>

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 the income in order to reduce the reserve of future years affected by the future cost of supplying literature etc based on current prices.

#### 23 Deferred income

	2016	2015
	£	£
Arising from Membership subscriptions and journal sales	32,071	38,394
	<u>32,071</u>	<u>38,394</u>

Deferred income is included in the financial statements as follows:

Balance B/F: 38,394  
Income received in the year: £180,394  
Released to income: (£186,717)  
Balance C/F: £32,071

Deferred income comprises journal sales and membership subscriptions which relate to the 2016/17 financial year.

#### 24 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 £9,279 (2015: £13,429). The amount outstanding at the year end was £nil (2015: £1,340).

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 25 Restricted funds

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

	Movement in funds			Balance at 31 December 2016 £
	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	
Miss Broderick Memorial Fund	948	-	(8)	940
Young People's Account Fund	9,524	445	(220)	9,749
Past Presidents Fund - Mr W Lloyd	647	-	(647)	-
Presidents Fund - Mr Dai Harris	-	8,597	(8,597)	-
International Show	8,062	-	-	8,062
Carmarthenshire County Council	1,273	-	(370)	903
Brecon Beacons Natural Park Authority	-	5,090	(5,090)	-
	<u>20,454</u>	<u>14,132</u>	<u>(14,932)</u>	<u>19,654</u>

#### **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.

#### **Past President's Fund 2009–2010 - Mr W Lloyd**

The 2009/2010 President's Fund is to be spent as per Mr W Lloyd's instructions. This was fully expended during the year.

#### **President's Fund 2014/2015 – Mr D Harris**

The 2014/15 President's Fundraising event at the 2015 AGM is being held in a restricted reserve and was fully expended during the year by donation money to various charities.

#### **International Show**

Signage for the pavilion, a potential donation to the International Show 2017 and the funding of the international rosettes for 2017.

#### **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.

#### **Brecon Beacons Natural Park Authority**

This grant was provided to assist with the costs associated with the study of the preservation of hill ponies. This was fully expended during the year.

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 26 Designated funds

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

	Movement in funds				Balance at 31 December 2016 £
	Balance at 1 January 2016 £	Incoming resources £	Resources expended £	Transfers £	
Educational bursary	7,650	-	(4,000)	-	3,650
Pavillion refurbishment	20,000	-	-	30,000	50,000
Website development	25,000	-	-	25,000	50,000
Future staff costs	25,000	-	-	(25,000)	-
IT developments	20,000	-	-	3,000	23,000
The Queen's 90th Birthday Celebration Fund	-	50,000	-	-	50,000
	<u>97,650</u>	<u>50,000</u>	<u>(4,000)</u>	<u>33,000</u>	<u>176,650</u>

#### **Educational Bursary**

Relates to monies designated to provide educational bursaries. The remaining balance will be spent during the 2017 financial year.

#### **Pavilion refurbishment**

Relates to future costs regarding the refurbishment of the pavilion at the Royal Welsh showground which are due to take place during the 2017 financial year.

#### **Website development**

Relates to future costs regarding the redesign and update of the charity's website which is due to take place during the 2017 financial year.

#### **Future staff costs**

Relates to potential redundancy costs due to the restructure of the charity. This was released during the year as this took place in February 2016.

#### **IT development and telephone**

Relates to future costs regarding the redesign and update of the charity's XIS system and telephone system which is due to take place during the 2017 financial year.

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

Relates to a donation from the Queens 90th Birthday Celebration fund. The society will decide what to spend the donation on during the 2017 financial year.

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2016

#### 27 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances at 31 December 2016 are represented by:			
Tangible assets	513,116	903	514,019
Investments	1,100,688	-	1,100,688
Current assets/(liabilities)	317,565	18,751	336,316
Long term liabilities	(92,216)	-	(92,216)
	<u>1,839,153</u>	<u>19,654</u>	<u>1,858,807</u>

#### 28 Operating lease commitments

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

	2016 £	2015 £
Within one year	3,458	5,420
Between two and five years	8,671	10,890
In over five years	-	1,239
	<u>12,129</u>	<u>17,549</u>

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

#### 29 Capital commitments

	2016 £	2015 £
At 31 December 2016 the charity had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	10,800	17,000
	<u>10,800</u>	<u>17,000</u>

The commitments above relate to the continuing development of its XIS IT system which should be completed by December 2017.

# THE WELSH PONY AND COB SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 30 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 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% 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 investments in subsidiaries are all stated at cost.

31 Cash generated from operations	2016 £	2015 £
Surplus/(deficit) for the year	110,240	(38,904)
Adjustments for:		
Investment income recognised in profit or loss	(30,355)	(32,020)
Gain on disposal of tangible fixed assets	(12,150)	-
Fair value gains and losses on investments	(137,143)	6,657
Depreciation and impairment of tangible fixed assets	48,139	39,149
Movements in working capital:		
(Increase)/decrease in stocks	(40,998)	2,559
(Increase) in debtors	(28,065)	(27,309)
(Decrease) in creditors	(1,996)	(35,682)
(Decrease)/increase in deferred income	(6,323)	38,394
<b>Cash absorbed by operations</b>	<b>(98,651)</b>	<b>(47,156)</b>