

Draft Financial Statements

Charity registration number 222014

Company registration number 1017832 (England and Wales)

**THE WELSH PONY AND COB SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Draft Financial Statements
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 2023

The trustees present their annual report and financial statements for the year ended 31 December 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objectives and activities

The objectives of the Society are to encourage the breeding, improvement and integrity of the Welsh Breeds of horses and ponies; advance public education of management of the Welsh Breeds; to prevent cruelty to horses and ponies; to provide and assist in provision for public benefit, facilities for recreation and other leisure time through use of horses but confined to facilities provided in the interests of social welfare. In order to further these aims the Society undertakes a number of core activities.

The Society is obliged to compile and publish stud books of registered pure and part-bred Welsh Ponies and Cobs, which is done on a regular basis. In recent years, this has been combined with its role as a Passport Issuing Organisation (PIO) and registration of equines is through its comprehensive registration processes.

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

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

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

The aims of the charity are detailed below:

- To encourage the breeding and improvement of horses and ponies more especially those of the Welsh Breeds.
- To advance public education in all districts and counties in the various arts and sciences connected with the use and management of horses and ponies in general and in particular of the Welsh Mountain Pony, the Welsh Pony, the Welsh Pony (Cob Type) and the Welsh Cob and their Part-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 charity measures its success in the reporting period using a number of assessments such as:

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

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Public benefits applicable to the charity's activities include:

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

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

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

Members Services – The development and growth of membership to the Society, maintaining the integrity of the Welsh Stud Book and Overseas Register. Production of an annual Stud Book and supervision of Young People's Committee activities. Organising and appointing Young Ambassador Elect and Young Achiever on an annual basis.

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

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

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

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

Achievements and performance

Council meetings were once more held in person at Bronaeron, with committee meetings held online to reduce travel costs and to facilitate the possibility of convening meetings at short notice if required.

A highly successful Awards night and President's dinner was held at the Metropole Hotel in 2023.

The original hard work of the Sales committee and staff has meant the Official sale at Builth Wells seems to grow from strength to strength with 2023 seeing the event take place over three days with the first day being mainly for performance animals. 2023 also saw the first Official spring sale conducted by McCartneys, the Society's official auctioneers, which we hope will grow over the coming years. The Society will continue to support the Auctioneers to ensure the future of sales for our membership. The success of the sales also contributes greatly to the income of the Society. The use of the Society's database to enable sales entries to streamline the checking process for entries proved a huge benefit.

The continuous improvement of the Society's administration is on-going, as evidenced in cost reductions in administrative and backroom areas, and in compliance with the Minimum Operating Standards for UK Passport Issuing Offices and to produce passports within 15 working days, and to transfer passports within 10 working days.

Every registration form which did not have errors or queries regarding ownership, etc was processed before the end of the year, and the Society would like to commend its membership for their efforts in rectifying the problem. However, the policy of returning incorrect or incomplete forms has paid off. 24.1% of all forms received were returned to the breeder at least once – some more than one time, which is a high figure and a target for 2024 is to bring this percentage down.

Two more Stud books were produced in 2023, volumes 103 and 104, which brings the Society up to date; volume 105 will be ready for the Royal Welsh. Resources have been allocated to address issues concerning Education and Welfare for members and non-members, and to include in particular the younger people. In order to reach a wider audience using social media, the Society has been very proactive in its rate of postings. It currently has 56,000 followers on Facebook.

Council have continued with the International Committee meetings which were previously run as physical meetings, to online meetings twice a year for inclusivity and accessibility for all daughter societies around the world, mindful of time differences and the cost and environmental impact of travel. It was very pleasing to see such a good attendance in 2023.

The Society continues to work with the Hill Pony Improvement Societies on DNA profiling and a successful derogation day was held in December at Brecon market. This was identified as an area for promotion to raise the profile of the hill ponies within the breed. This provides invaluable genetic information for the Welsh Breed and will be an asset for future generations to reference.

The Society has reviewed the Judging & Showing Handbook and tweaked the medal procedures that are due to be reviewed fully at the end of the 2024 season. The Judging and Showing Handbook works to ensure the preservation and improvement of judging standards.

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

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.

THE WELSH PONY AND COB SOCIETY**TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)****FOR THE YEAR ENDED 31 DECEMBER 2023****Investments**

Investments are valued at mid-market prices and are split as follows:

	2023	2023	2022	2022
	Fair Value	Cost	Fair Value	Cost
	£	£	£	£
Fixed Interest	525,433	469,283	451,556	515,317
Equities	1,560,907	1,367,476	1,600,119	1,350,555
Cash held in portfolio	10,422	10,422	44,749	44,749

Financial review**Results**

	2023	2023	2023	2022	2022	2022
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
	£	£	£	£	£	£
Income	617,388	4,907	622,295	625,333	5,450	630,783
Expenditure	(675,863)	(8,018)	(683,881)	(706,871)	(1,885)	(708,756)
Operating results	(58,475)	(3,111)	(61,586)	(81,538)	3,565	(77,973)
Investment movements	75,096	-	75,096	(228,683)	-	(228,683)
Net movement	16,621	(3,111)	13,510	(310,221)	3,565	(306,656)

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

This reserves policy seeks to address the charity's future needs in relation to its reserves and to satisfy Charity Commission requirements for charities to adopt comprehensive reserves policies. The Council has established a financial planning process whereby when agreeing the annual operational budget during the autumn of the preceding year, and with the aim of balancing the operational budget, larger capital or revenue items will be funded out of its reserves. As of the end of December 2023 the free reserves stand at £1,962,896 (2022: £1,925,735). The total designated funds at 31 December 2023 stand at £432,810 (2023: £453,349) see the notes to the financial statements for detailed analysis.

The Council has examined the charity's requirements for reserves in light of the main risks to the organisation and the cost of projected future projects. The main risks are identified as external events beyond the Society's influence, including the decision of the UK to leave the European Union and the implementation of a central equine database by the Welsh Government. Future projects will include a new website, museum/museum hub(s), promotional virtual reality experiences, migration of office systems and upgrades including telephone systems and interactive voice response (IVR), development of Society merchandise, DNA development and development of EquiCymru.

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 2023

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

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

- Loss of passport issuing office (PIO) status leading to decreased income the charity ensures it keeps abreast of all proposed changes by attending meetings with Welsh Government and the ESA 826 group, and by actively engaging with and updating the Central Equine Database.
- Sudden collapse in the equine leisure market (as a result of an outbreak of foot and mouth or an Exotic Equine Disease) – this is a risk the charity cannot mitigate against, however, the charity is developing an action plan to implement should such an event happen.
- Severe economic downturn leading to loss of income – the charity monitors cash flow and expenditure against budgets on a monthly basis to ensure unnecessary costs are not incurred.
- The knock on effect and repercussions following the UK's exit from the European Union – the Society is maintaining contact with the Welsh and UK governments and communicating with key stakeholders.
- The huge impact of inflation and the cost of living on members and the real threat that their equine interests will have to be curtailed obviously affecting the income streams of the Society.

To mitigate against the above risks and other risks facing the charity the trustees conduct regular reviews of the major risks to which the charity is exposed, listing these in a Risk Register. Systems and procedures have been established to mitigate the risks that the charity faces. Significant external risks to funding have led to the development of a strategic plan which will allow for the diversification of funding and activities and associated budgets. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and projects. Procedures are in place to ensure compliance with health and safety requirements relating to staff, trustees, volunteers and visitors to the Society's premises.

The Society continually reviews the procedures to ensure that they continue to meet the needs of the charity.

Plans for future periods

There are key areas of development and investment planned over the next year. The Society's business plan for 2024-2025 includes continued promotion and education on the Welsh breeds and the care and management of the horses and ponies. This is expected to be undertaken through attending specific targeted events on a national basis and distributing information and guidance, improved links with the Area Associations, and promoting online to members and non-members.

The Society will continue to develop the provision in the Welsh language.

The internet continues to be an excellent avenue for communication. The Facebook followers has increased from 54,100 in 2022 to 56,191 in 2023.

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 DECEMBER 2023

Structure, governance and management

The Welsh Pony and Cob Society (the Society) is a registered charity under the Charities Act 2011 (Number 222014) and a company limited by guarantee (Number 1017832). The Society is governed by its Memorandum and Articles of Association which were initially adopted on the 15 July 1971, at which date the assets and liabilities of the unincorporated Society were acquired. The Articles of Association were subsequently amended and adopted on 1 March 2008 and updated following the EGM in September 2009 followed by a further update at the AGM of 1st APRIL 2017. The last changes to the Society's Articles and Memorandum were adopted at the AGM of 11th of December 2021.

The Council, who are the Trustees of the charity and Directors of the company, are elected from the membership of the Society at the Annual General Meeting. Council members are elected for a term of 3 years and a third of Council members normally retire each year, creating vacancies to be filled. They may, however, be re-elected for a further three-year period before being required to stand down for a term. The notice calling for nominations is required to be sent to members a minimum of 8 weeks before the AGM. All members of the Society have the right to nominate candidates and vote. The administration and counting of returned postal ballots is conducted by independent scrutineers. The President and President-Elect are also nominated and elected by the members and accepted at the Annual General Meeting. The Chair, Vice-Chair of Council and Chair of Finance and Human Resources are elected by Council members at the first meeting following the AGM each year.

The Society's structure is that of being governed by a Council of 15 members, responsible for setting the strategic direction of the organisation and the policy of the charity. Council carries the ultimate responsibility for the conduct of the Society and for ensuring that the charity satisfies its legal and contractual obligations. The Council is bound by its Memorandum and Articles of Association to meet at least twice a year. Various sub committees also meet regularly to consider the more urgent issues that arise during the year, but all decisions are ratified by the Council unless prior approval of remit and budget are given. The Council delegates the day-to-day operation of the organisation to senior management. A register of Council Members' interests is maintained at the registered office and is available to the public for review.

New Council members are provided with an introduction to the Society and their role within its governance through an induction day and a visit to the Society's office. Printed and electronic materials are made available to them at the induction and following on from that on a regular basis either by email or at Council meetings. Further information and training is provided on an on-going basis through email, at Council meetings and other externally facilitated events.

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

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

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

The Society also co-operates and liaises with a number of other organisations to achieve its objectives on a broader level. It is closely associated with the Hill Pony Improvement Societies. It co-operates and collaborates with other equine and welfare related organisations, including other native breed societies through DEFRA, the Welsh Government, the National Pony Society, BHS, ILPH, the National Equine Welfare Council, HBLB, Trading Standards, World Horse Welfare, RSPCA, JMB, 826 ESA group, NASTA, and DNA Consultants.

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

Reference and administrative details

Charity name The Welsh Pony and Cob Society

Charity number 222014

Company number 1017832

Registered office Bronaeron
Felinfach
Lampeter
Ceredigion
SA48 8AG

Key management personnel Ms G Bassett-Burr
Mr D M Davies to December 2023

Trustees

Ms S J Charlton - resigned 25/10/2023
Mr D S Davies - resigned 29/08/2023
Mr D T C Evans
Mr A S Everitt - resigned 21/09/2023
Mr E P J Gummery
Ms E Hampson - resigned 08/04/2023
Ms D Jones - resigned 25/10/2023
Mr W Jones - resigned 31/10/2023
Ms A J Kember
Mr D D Morgan - resigned 08/04/2023
Mr D O Roberts
Mr D M Waters
Ms R J R Wilson - resigned 08/04/2023
Ms T Baldwin - resigned 24/10/2023
Ms L Stephens - resigned 17/07/2023
Mrs J V Parry - appointed 08/11/2023
Mr E G Prosser - appointed 08/04/23
Mr M J Davies - appointed 08/04/2023
Mrs M A Bigley - appointed 01/11/2023
Mrs T Hook - appointed 01/11/2023

Secretary Mr D M Davies - resigned 09/11/2023

President Mr I D T Price to 8/4/2023
Mr D L I Evans from 8/4/2023

President Elect Mrs J P Price

Chair of Council Mr E P J Gummery

Vice Chair of Council Mrs S J Charlton

Directors of subsidiary company Miss S Hardy
Mr C Thomas

THE WELSH PONY AND COB SOCIETY

TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2023

Auditors

Azets Audit Services
Ty Derw
Lime Tree Court
Cardiff Gate Business Park
Cardiff
CF23 8AB

Legal Advisers

Geldards
4 Capital Quarter
Tyndall Street
Cardiff
CF10 4BZ

Investment providers

Investec Wealth and Investment Ltd
30 Gresham Street
London
EC2V 7QN

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Auditor

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees report was approved by the Board of Trustees.

.....
Mr E P J Gummery

Dated:

THE WELSH PONY AND COB SOCIETY

STATEMENT OF TRUSTEES RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2023

The trustees, who are also the directors of The Welsh Pony and Cob Society for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

THE WELSH PONY AND COB SOCIETY**STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<u>Income from:</u>							
Donations and legacies	3	17,627	-	17,627	13,918	-	13,918
Charitable activities	4	545,997	-	545,997	567,000	-	567,000
Other trading activities	5	7,459	4,907	12,366	1,772	5,450	7,222
Investments	6	46,305	-	46,305	42,643	-	42,643
Total income		617,388	4,907	622,295	625,333	5,450	630,783
<u>Expenditure on:</u>							
Raising funds	7	7,729	8,018	15,747	17,183	1,885	19,068
Charitable activities	8	668,134	-	668,134	689,688	-	689,688
Total expenditure		675,863	8,018	683,881	706,871	1,885	708,756
Net gains/(losses) on investments	13	75,096	-	75,096	(228,683)	-	(228,683)
Net movement in funds		16,621	(3,111)	13,510	(310,221)	3,565	(306,656)
Fund balances at 1 January 2023		2,379,085	26,541	2,405,626	2,689,306	22,976	2,712,282
Fund balances at 31 December 2023		2,395,706	23,430	2,419,136	2,379,085	26,541	2,405,626

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 2023**

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Intangible assets	16		3,212		8,456
Tangible assets	15		358,062		372,893
Investments	17		2,096,764		2,096,424
			<u>2,458,038</u>		<u>2,477,773</u>
Current assets					
Stocks	18	30,102		42,488	
Debtors	19	19,031		9,724	
Cash at bank and in hand		90,159		66,978	
			<u>139,292</u>		<u>119,190</u>
Creditors: amounts falling due within one year	20		<u>(87,424)</u>		<u>(101,841)</u>
Net current assets			<u>51,868</u>		<u>17,349</u>
Total assets less current liabilities			<u>2,509,906</u>		<u>2,495,122</u>
Creditors: amounts falling due after more than one year	21		<u>(90,770)</u>		<u>(89,496)</u>
Net assets			<u>2,419,136</u>		<u>2,405,626</u>
Income funds					
Restricted funds	25		23,430		26,541
<u>Unrestricted funds</u>					
Designated funds	24	432,810		453,350	
General unrestricted funds		1,962,896		1,925,735	
			<u>2,395,706</u>		<u>2,379,085</u>
			<u>2,419,136</u>		<u>2,405,626</u>

THE WELSH PONY AND COB SOCIETY

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2023

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 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on

.....
Mr E P J Gummery
Trustee

Company registration number 1017832

THE WELSH PONY AND COB SOCIETY**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash absorbed by operations	30		(97,880)		(79,244)
Investing activities					
Purchase of investments		(274,332)		(434,767)	
Proceeds from disposal of investments		349,088		444,049	
Investment income received		46,305		42,643	
Net cash generated from investing activities			121,061		51,925
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			23,181		(27,319)
Cash and cash equivalents at beginning of year			66,978		94,297
Cash and cash equivalents at end of year			90,159		66,978

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Charity information

The Welsh Pony and Cob Society is a private company limited by guarantee incorporated in England and Wales. The registered office is Bronaeron, Felinfach, Lampeter, Ceredigion, SA48 8AG.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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

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

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

1.4 Incoming resources

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

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

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

Dividends income is recognised on the date the charity's right to receive payment is established.

Trading income is recognised in the period to which the income is generated.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Income from charitable activities (excluding grants) is credited to the Statement of Financial Activities in the year in which they are due. Income received in advance is deferred to the appropriate financial year.

Grants are only included in the SoFA when the general income recognition criteria are met.

In the case of performance related grants, income must only be recognised to the extent that the charity has provided the specified goods or services, as entitlement to the grant only occurs when the performance related conditions are met. Grants receivable are treated in different ways dependent upon their purposes and the terms of the grant.

Grants receivable for specific purposes are also treated as restricted funds so that any unused funds can be separately identified.

Grants receivable to facilitate the general running of the charity are treated as unrestricted funds.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.5 Resources expended

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

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

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

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

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

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

1.6 Intangible fixed assets other than goodwill

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

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

Software	20% straight line
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Freehold land and buildings	2% and 5% straight line
Leasehold land and buildings	Over the life of the lease
Plant and equipment	25% and 33% straight line
Motor vehicles	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

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

1.8 Fixed asset investments

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

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

1.9 Impairment of fixed assets

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

1.10 Stocks

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

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

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

1.11 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.12 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.13 Employee benefits

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

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

1.14 Retirement benefits

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.15 Reserve for future costs of life members

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

The deferred income is adjusted at each accounting date for a regular amount transferred back to income dependent on the age banding of the life member.

2 Critical accounting estimates and judgements

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

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

Key sources of estimation uncertainty

Life members deferred income

The charity provides life membership to members of varying ages, this requires an estimation regarding the number of years in which the income is released in the financial statements.

The income is released in the financial statements as follows:

Under 21's - over 50 years
21-40's - over 40 years
Over 40 - over 30 years
Over 60 - over 20 years

As at 31st December 2023 the amounts of income deferred totalled £97,889 (2022: £96,689), split between creditors due within one year £7,119 (2022: £7,193) and creditors due after more than one year £90,770 (2022: £89,496).

Income released in the financial statements totalled £6,290 (2022: £3,180).

Stock

The charity holds a large amount of stock of which some items are deemed to be obsolete and/or slow moving. A stock provision is made each year which requires an estimation as to the written down value.

During the year stock was written down by £12,386 (2022: £6,587).

As at 31st December 2023 the stock value contained in the financial statements totalled £30,102 (2022: £42,488).

THE WELSH PONY AND COB SOCIETY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****3 Donations and legacies**

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Donations and gifts	17,627	13,918
	<u> </u>	<u> </u>
Donations and gifts		
Donations and sponsorship	4,645	5,259
Pavillion donations and income	12,982	8,659
	<u> </u>	<u> </u>
	<u>17,627</u>	<u>13,918</u>

4 Charitable activities

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Subscriptions and life members income	131,209	135,187
Journal sales and advertising	18,437	25,258
Other membership income incl insurance	1,378	1,099
Registration and passports	225,728	248,791
Transfers and other registration income	121,547	114,188
Promotional goods	26,231	14,498
Judging, medal and rosette income	21,467	25,979
Grants	-	2,000
	<u> </u>	<u> </u>
	<u>545,997</u>	<u>567,000</u>

THE WELSH PONY AND COB SOCIETY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****5 Other trading activities**

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total Unrestricted funds 2023 £	Restricted funds 2022 £	Total 2022 £
Young people's fund	-	650	650	12	12
President's fundraising and dinner	-	4,257	4,257	-	5,450
Solar panel income	7,459	-	7,459	1,760	1,760
	<u>7,459</u>	<u>4,907</u>	<u>12,366</u>	<u>1,772</u>	<u>7,222</u>
Other trading activities	7,459	4,907	12,366	1,772	7,222
	<u>7,459</u>	<u>4,907</u>	<u>12,366</u>	<u>1,772</u>	<u>7,222</u>

6 Investments

	Unrestricted funds 2023 £	Unrestricted funds 2022 £
Income from listed investments	45,249	41,627
Interest receivable	1,056	1,016
	<u>46,305</u>	<u>42,643</u>
	<u>46,305</u>	<u>42,643</u>

Draft Financial Statements
THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

7 Raising funds	Unrestricted funds		Restricted funds		Total	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
<u>Fundraising and publicity</u>						
Premium awards	975	-	-	4,125	975	4,125
Donations and bursaries	6,754	-	-	9,573	6,754	9,573
Retiring president's dinner	-	7,711	7,711	3,485	7,711	5,370
Young people's fund	-	307	307	-	307	-
	<u>7,729</u>	<u>8,018</u>	<u>8,018</u>	<u>17,183</u>	<u>15,747</u>	<u>19,068</u>
Fundraising and publicity	7,729	8,018	8,018	17,183	15,747	19,068
	<u>7,729</u>	<u>8,018</u>	<u>8,018</u>	<u>17,183</u>	<u>15,747</u>	<u>19,068</u>

THE WELSH PONY AND COB SOCIETY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****8 Charitable activities**

	Membership	Registration	Education & promotion	Judging & showing	Total 2023	Total 2022
	£	£	£	£	£	£
Journal costs	26,343	-	-	-	26,343	25,724
Membership costs	34,795	-	-	-	34,795	32,566
Central prefix register and stud books	-	12,698	-	-	12,698	14,112
DNA blood typing and microchips	-	29,232	-	-	29,232	42,234
Passport binding	-	810	-	-	810	617
Promotional goods and stock	-	-	17,286	-	17,286	13,981
Exhibition unit expenses	-	-	2,522	-	2,522	5,126
Publicity officers expenses and educational visits	-	-	19,138	-	19,138	28,471
Medals, rosettes and engraving	-	-	-	6,253	6,253	7,257
Judges conferences	-	-	-	-	-	5,168
Judges and showing handbook	-	-	-	3,007	3,007	6,518
International show costs and expenses	-	-	-	306	306	766
	<u>61,138</u>	<u>42,740</u>	<u>38,946</u>	<u>9,566</u>	<u>152,390</u>	<u>182,540</u>
Share of support costs (see note 10)	72,419	208,207	45,263	126,735	452,624	465,870
Share of governance costs (see note 10)	10,099	29,036	6,312	17,673	63,120	41,278
	<u>143,656</u>	<u>279,983</u>	<u>90,521</u>	<u>153,974</u>	<u>668,134</u>	<u>689,688</u>

THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

9 Description of charitable activities

Membership

The members' services department deals with subscriptions, the pavilion, the internet information and the journal.

Registration

The registration department includes the activities of registration, passports, transfers, exports, central prefixing, stud books and DNA blood typing and licenses.

Education & promotion

The education and promotions department includes the premium awards, junior club and donations, together with deals which include some promotional goods, second hand books and sponsorship.

Judging & showing

The judging & showing department includes the conference and seminar meetings, together with the attendance at shows and events, medals and rosettes.

THE WELSH PONY AND COB SOCIETY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****10 Support costs**

	Support costs	Governance costs	2023	Support costs	Governance costs	2022
	£	£	£	£	£	£
Staff costs	255,000	-	255,000	264,334	-	264,334
Depreciation	20,076	-	20,076	21,636	-	21,636
Other staff costs	760	-	760	2,636	-	2,636
Postage and stationery	39,651	-	39,651	41,225	-	41,225
Computer costs	31,236	-	31,236	22,895	-	22,895
Equipment rental	12,928	-	12,928	11,458	-	11,458
Repairs, renewals and sundry	44,683	-	44,683	31,230	-	31,230
Rates and utilities	19,516	-	19,516	18,898	-	18,898
Insurance	8,591	-	8,591	11,530	-	11,530
Travel and subsistence	773	-	773	851	-	851
Telephone	(4,113)	-	(4,113)	19,862	-	19,862
Bank charges, investment and other costs	23,523	-	23,523	19,315	-	19,315
Audit fees	-	15,930	15,930	-	13,250	13,250
Accountancy fees	-	-	-	-	1,500	1,500
Legal and professional fees	-	29,250	29,250	-	10,958	10,958
AGM expenses	-	6,818	6,818	-	6,752	6,752
Council expenses and training	-	11,122	11,122	-	8,818	8,818
	<u>452,624</u>	<u>63,120</u>	<u>515,744</u>	<u>465,870</u>	<u>41,278</u>	<u>507,148</u>
Analysed between						
Charitable activities	<u>452,624</u>	<u>63,120</u>	<u>515,744</u>	<u>465,870</u>	<u>41,278</u>	<u>507,148</u>

11 Trustees

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

A total of £8,968 (2022: £7,908) was incurred in relation to travel, subsistence and accommodation expenses.

In 2023 ten trustees A Kember, D Jones, E Hampson, R Wilson, S Charlton, D Roberts, W Jones, L Stephens, E Gummery, A Everitt claimed expenses (2022: ten trustees A Kember, D Jones, E Hampson, R Wilson, S Charlton, D Roberts, W Jones, L Stephens, E Gummery, A Everitt claimed expenses).

THE WELSH PONY AND COB SOCIETY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****12 Employees****Number of employees**

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Office staff	11	12
	<u> </u>	<u> </u>

Employment costs

	2023	2022
	£	£
Wages and salaries	236,494	242,866
Social security costs	11,212	13,039
Other pension costs	7,294	8,429
	<u> </u>	<u> </u>
	<u>255,000</u>	<u>264,334</u>

Key management personnel

The key management personnel as detailed in the trustees report (2) received benefits (including gross salary, employers national insurance and employers pension contributions) totalling £93,836 (2022: £92,691).

Employees earning > £60k

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

13 Net gains/(losses) on investments

	Unrestricted	Unrestricted
	funds	funds
	2023	2022
	£	£
Revaluation of investments	75,096	(228,683)
	<u> </u>	<u> </u>

14 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE WELSH PONY AND COB SOCIETY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****15 Tangible fixed assets**

	Freehold land and buildings	Leasehold land and buildings	Plant and Motor vehicles equipment		Total
	£	£	£	£	£
Cost					
At 1 January 2023	468,805	95,614	320,858	17,500	902,777
At 31 December 2023	468,805	95,614	320,858	17,500	902,777
Depreciation and impairment					
At 1 January 2023	117,833	80,586	318,321	13,145	529,885
Depreciation charged in the year	10,032	2,603	1,320	875	14,830
At 31 December 2023	127,865	83,189	319,641	14,020	544,715
Carrying amount					
At 31 December 2023	340,940	12,425	1,217	3,480	358,062
At 31 December 2022	350,972	15,028	2,538	4,355	372,893

16 Intangible fixed assets

	Software £
Cost	
At 1 January 2023 and 31 December 2023	26,245
Amortisation and impairment	
At 1 January 2023	17,789
Amortisation charged for the year	5,244
At 31 December 2023	23,033
Carrying amount	
At 31 December 2023	3,212
At 31 December 2022	8,456

THE WELSH PONY AND COB SOCIETY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****17 Fixed asset investments**

	Listed investments £	Cash in portfolio	Other investments	Total £
Cost or valuation				
At 1 January 2023	2,051,673	44,749	2	2,096,424
Additions	274,332	-	-	274,332
Valuation changes	75,096	-	-	75,096
Cash movement	-	(34,327)	-	(34,327)
Disposals	(314,761)	-	-	(314,761)
	<u>2,086,340</u>	<u>10,422</u>	<u>2</u>	<u>2,096,764</u>
Carrying amount				
At 31 December 2023	<u>2,086,340</u>	<u>10,422</u>	<u>2</u>	<u>2,096,764</u>
At 31 December 2022	<u>2,051,673</u>	<u>44,749</u>	<u>2</u>	<u>2,096,424</u>

	Notes	2023 £	2022 £
Other investments comprise:			
Investments in subsidiaries	29	2	2

18 Stocks

	2023 £	2022 £
Finished goods and goods for resale	30,102	42,488

19 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Other debtors	19,031	9,724

THE WELSH PONY AND COB SOCIETY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****20 Creditors: amounts falling due within one year**

	Notes	2023 £	2022 £
Other taxation and social security		3,702	4,885
Deferred income	23	18,276	15,344
Trade creditors		22,323	50,020
Accruals and deferred income		43,123	31,592
		<u>87,424</u>	<u>101,841</u>

21 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Deferred income	23	90,770	89,496
		<u>90,770</u>	<u>89,496</u>

22 Retirement benefit schemes**Defined contribution schemes**

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

The charge to profit or loss in respect of defined contribution schemes was £7,294 (2022: £8,429). The amount outstanding at the year end was £nil (2022: £nil).

23 Deferred income

	2023 £	2022 £
Arising from membership subscriptions and journal sales	109,046	104,840
	<u>109,046</u>	<u>104,840</u>

Deferred income comprises journal sales and membership subscriptions which relate to the 2023 financial year.

Deferred income also includes life members' subscriptions.

Deferred income is included in the financial statements as follows:

	2023 £	2022 £
Deferred income is included within:		
Current liabilities	18,276	15,344
Non-current liabilities	90,770	89,496
	<u>109,046</u>	<u>104,840</u>

Movements in the year:

THE WELSH PONY AND COB SOCIETY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023**

23 Deferred income	(Continued)	
Deferred income at 1 January 2023	104,840	110,813
Released from previous periods	(153,553)	(180,275)
Resources deferred in the year	157,759	174,302
	<u> </u>	<u> </u>
Deferred income at 31 December 2023	<u>109,046</u>	<u>104,840</u>

24 Designated funds

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

	Balance at 1 January 2022	Resources expended	Balance at 1 January 2023	Resources expended	Balance at 31 December 2023
	£	£	£	£	£
Educational bursary	2,000	-	2,000	(466)	1,534
IT development	20,000	-	20,000	-	20,000
Legal costs	30,000	-	30,000	-	30,000
Capital expenditure	15,000	-	15,000	-	15,000
Training	5,000	-	5,000	-	5,000
Fixed asset fund	402,986	(21,636)	381,350	(20,074)	361,276
	<u>474,986</u>	<u>(21,636)</u>	<u>453,350</u>	<u>(20,540)</u>	<u>432,810</u>

Educational bursary

Relates to monies designated to provide educational bursaries. The remaining balance will be expended in future periods.

IT development

Relates to future costs regarding the redesign and update of the charity's new IT system.

Legal costs

Relates to future costs regarding ongoing legal advice.

Capital expenditure

Relates to future capital costs to be incurred towards work at Bronaeron site.

Training

Relates to future costs regarding training, the remaining balance will be expended in future periods.

Fixed asset fund

This represents the net book value of the charity's fixed and intangible assets.

Draft Financial Statements
THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

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		Movement in funds		Movement in funds		Balance at 31 December 2023 £
	Balance at 1 January 2022 £	Incoming resources £	Resources expended1 £	Balance at January 2023 £	Incoming resources £	Resources expended £	
Miss Broderick Memorial Fund	932	-	-	932	-	-	932
Young People's Account Fund	12,265	-	-	12,265	650	(307)	12,608
Presidents Fund	3,830	5,450	(1,885)	7,395	4,257	(7,711)	3,941
International show	5,949	-	-	5,949	-	-	5,949
	<u>22,976</u>	<u>5,450</u>	<u>(1,885)</u>	<u>26,541</u>	<u>4,907</u>	<u>(8,018)</u>	<u>23,430</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.

President's Fund

The President's fundraising income is being held in a restricted reserve with any income in excess of expenditure being donated to charity during the 2022 financial year.

International show

Money kept in reserve to cover a potential donation to the International Show 2022 and the funding of the international rosettes for 2022.

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THE WELSH PONY AND COB SOCIETY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

26 Analysis of net assets between funds	Unrestricted		Designated		Restricted		Total	
	2023	2023	2023	2023	2022	2022	2023	2022
	£	£	£	£	£	£	£	£
Fund balances at 31 December 2023 are represented by:								
Intangible fixed assets	-	3,212	-	-	-	8,456	3,212	8,456
Tangible assets	-	358,062	-	-	-	372,893	358,062	372,893
Investments	2,025,228	71,536	-	-	2,024,424	72,000	2,096,764	2,096,424
Current assets/(liabilities)	28,438	-	23,430	(9,192)	(9,192)	-	51,868	17,349
Long term liabilities	(90,770)	-	-	(89,496)	(89,496)	-	(90,770)	(89,496)
	1,962,896	432,810	23,430	2,419,136	1,925,736	453,349	2,419,136	2,405,626

THE WELSH PONY AND COB SOCIETY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****27 Related party transactions**

There were related party transactions of none during the year (2022- none).

Included within the Trustees Report are details of related party relationships regarding the society's dormant trading subsidiary and other organisations the society works with to achieve its objectives.

28 Operating lease commitments

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

	2023	2022
	£	£
Within one year	13,820	22,413
Between two and five years	55,279	89,651
In over five years	52,675	73,181
	<u>121,774</u>	<u>185,245</u>

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

29 Subsidiaries

These financial statements are separate charity financial statements for The Welsh Pony and Cob Society Limited.

Consolidated financial statements have not been prepared due to the trading subsidiary being dormant.

Details of the charity's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
WPCS Trading Ltd	United Kingdom	Dormant	Ordinary Shares	100.00	

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
WPCS Trading Ltd	-	2

The company number for the trading company is 02946610.

The investment in the subsidiary is stated at cost.

THE WELSH PONY AND COB SOCIETY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023**

30 Cash generated from operations	2023	2022
	£	£
Surplus/(deficit) for the year	13,510	(306,656)
Adjustments for:		
Investment income recognised in statement of financial activities	(46,305)	(42,643)
Fair value gains and losses on investments	(75,096)	228,683
Amortisation and impairment of intangible assets	5,244	5,244
Depreciation and impairment of tangible fixed assets	14,832	16,392
Movements in working capital:		
Decrease in stocks	12,386	6,587
(Increase)/decrease in debtors	(9,307)	3,490
(Decrease)/increase in creditors	(17,350)	15,632
Increase/(decrease) in deferred income	4,206	(5,973)
Cash absorbed by operations	(97,880)	(79,244)
31 Analysis of changes in net funds		

The charity had no debt during the year.