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THE BRITISH HORSE SOCIETY

Stoneleigh Deer Park , Kenilworth , Warwickshire CV8 2XZ

incorporated on 5th November 1947

registered number 444 742

charity number 210504

ANNUAL REPORT 1998

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THE BRITISH HORSE SOCIETY

Patron: Her Majesty The Queen

President: Her Royal Highness The Princess Royal

NOTICE OF MEETING

Notice is hereby given that the fifty-first Annual General Meeting of the British Horse Society will be held at Saddlers' Hall, Gutter Lane, Cheapside, London EC3V 6BR (by kind permission of the Worshipful Company of Saddlers) on Tuesday 22nd June 1999 at 11 a.m. for the following purposes:

Ordinary Business

- 1 To receive and consider the report of the Trustees and audited accounts for the year ended 31st December 1998
- 2 To receive the names of newly elected Trustees
- 3 To re-appoint the auditors and authorise the Trustees to fix their remuneration

Special Business

- 4 To receive and, if thought fit, pass the following resolutions which will be proposed as Special Resolutions:

Resolution 1

That the Articles of Association be amended by the addition of the following words to the second sentence of sub paragraph 12.2:

"or upon the expiry of such longer period as the Board and the President shall agree" and

Resolution 2

That the Articles of Association be amended by the deletion of sub paragraph 15.3 in its entirety and its replacement by the following new sub paragraph 15.3

"Up to three Voting Members of the Society co-opted by a resolution of the Board to be additional members of the Board, one such additional member to be nominated by the Riding Clubs' Committee of the Society, and who shall hold office in accordance with the provisions of Regulation 26 below."

and that accordingly the word "two" in the first line of Regulation 26 be deleted and replaced by the word "three".

Resolution 3

That the Articles of Association be amended by the addition to Article 33 of a new sub paragraph 33.9 in the following terms:

"33.9 if a person connected with a member of the Board (as the term "connected" is defined in section 346 of the Act) is appointed to any salaried office of the Society or to any office of the Society paid by fees or if such a person receives any remuneration or other benefit in money or monies worth from the Society."

Resolution 1 will allow for a President to serve for a longer period than one term in office.

Resolution 2 will ensure that Riding Clubs are represented on the Board

Resolution 3 will add a further condition to the list of instances when a member of the Board shall, ipso facto, vacate office.

Only gold members, aged seventeen years and over on 22nd June 1999, are entitled to attend and vote at the annual general meeting. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on his or her behalf. A proxy need not be a member of the Society.

5 To receive any matters members may wish to raise

by order of the Board of Trustees
Michael Franklin FCA
Secretary
31st March 1999

Note

To be effective, forms of proxy must be duly completed and returned so as to reach the Company Secretary, British Horse Society, Stoneleigh Deer Park, Kenilworth, Warwickshire CV8 2XZ not less than 48 hours before the time appointed for holding the meeting, or adjourned meeting, as the case may be.

LEGAL AND ADMINISTRATIVE DETAILS

Legal status

The Society was incorporated on 5th November 1947, as a company limited by guarantee, having no share capital. The charity registration number is 210504 and the company registration number is 444742.

The British Horse Society (Trading Company) was incorporated on 11th September 1991 as a wholly owned subsidiary of the Society. The results have been consolidated within the accounts of the Society.

Trustees

The Society is governed by its Board of Trustees. Members of the Board are the directors of the company and the trustees of the charity.

The Board consists of 12 members elected by the membership and up to two members co-opted by the Board. The Chairman and Treasurer are elected by the Board from amongst its number. The Board appoints a President.

The principal officers of the Society are

Chief Executive	Mr Hywel Davies
Head of Finance & Company Secretary	Mr Michael Franklin FCA

Registered office

The Society's principal office is its registered office at Stoneleigh Deer Park, Kenilworth, Warwickshire CV8 2XZ.

Bankers

The Society's principal bankers are	National Westminster Bank plc 59 The Parade Leamington Spa CV32 4BH
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Solicitors

The Society's solicitors are	Messrs Wright Hassall & Co 9 Clarendon Place Leamington Spa CV32 5QP
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Audit and tax advisors

The Society's auditors and tax advisors are	Messrs Kidsons Impey Park House Station Square Coventry CV1 2NS
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REPORT OF THE TRUSTEES

A.1 Objects

The Society has two principal objects:

- (a) to promote the interests of horse and pony breeding and to encourage the use and protection of horses and ponies
- (b) to promote and facilitate the acquisition and distribution of the knowledge of the various arts and sciences connected with the horse and pony and the use and management thereof.

In order to achieve these objects, the Society:

- maintains and develops sound doctrine in the field of horsemanship; improves the standard of riding, driving and the training of horsemen and horses and the standard of horse management
- plans, co-ordinates and controls the following activities of the Society: access and rights of way; breeding; riding and road safety and welfare
- assists and encourages those interested in the horse and equitation and seeks to preserve and develop public riding facilities

In addition, the Society has administrative and service sections and two trading sections. These sections comprise:

administration

- chief executive
- members records and services

service

- establishment
- finance
- computer services
- switchboard and post
- public affairs

trading

- merchandising
- riding schools and stables

A.2 Policies

The Society has continued to promote the primary responsibilities outlined above and to represent the interests of the horse to the authorities at every level.

A.3 Changes in policies

With the exception of the Riding Clubs Committee, committees are now advisory not executive.

A.4 Organisation

The Society is organised into departments with specific responsibilities. In addition there are representative committees of volunteers at UK Sports Council regional level and county level, which are responsible for the local execution of the Society's activities assisted by the Society's nine employed development officers.

B Development Review

B.1 Membership

On 31st December 1998 the membership stood at 56,228. On 31st December 1997 membership stood at 59,484. The Society changed its insurance brokers in July from British Equestrian Insurance Brokers to South Essex Insurance Brokers.

B.2 Administration

The main event of the last year has been the successful move of the BHS from the offices on the Royal Showground to offices, about a mile away, on the Stoneleigh Deer Park. All staff are now under one roof which has greatly assisted inter departmental communication and co-operation.

The old offices on the Royal Showground are now occupied by the disciplines on a lease from the BHS. Allander House is now the home of the Pony Club, also on a lease from the BHS.

The use of computers and IT within the BHS continues to increase with all staff now having a PC on which to work. The offices have now been wired so that staff can communicate with each other by e-mail, a system which can also be used for external communication via the Internet.

Work is taking place to ensure that the BHS systems are ready for the Millennium. At the same time the operational systems are being developed to meet the current and envisaged future demands of the departments. This will be achieved by rewriting and integrating parts of the system to allow access to a wide variety of users.

Over the coming months the Development Officers will be connected to the Internet so that they can communicate electronically with the offices.

During the year the Print Room with its in-house printing facility was closed. All print is now out-sourced, which has generated significant savings.

Year 2000 compliance

As is well known, many computers and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 and beyond, in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends, not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk, in the event that there is a failure by other parties to remedy their own year 2000 issues. The Society is well advanced in the phase of assessing the risks to the business resulting from the date change to the year 2000. Once this phase is completed, we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

B.3 National structure

In March The Board of Trustees invited the National and English Regional Chairmen to talk about the new structure of management and the future strategy of the National and Regional Network. It was agreed that the Board was a better decision making body than Council, and the riding clubs and the national structure should work together as an even better team throughout the U.K. 1998 has been a year of consolidation with membership standing at over 56,000 as at December 1998 despite the departure of Dressage at the beginning of the year. It was encouraging that a large number of competitors continue to support the Society with Gold, Silver or Bronze membership to make use of the membership benefits and to support the most important work of the Society. Mr Hywel Davies took up his new duties as Chief Executive on 6th July, and later in the week met most of the National and Regional Chairman who took part in the official opening of the splendid new offices by The Princess Royal. In the autumn Mr Davies attended almost all the National and Regional Meetings to learn more about the work of the Society. This was much appreciated by the volunteers.

B.4 England

Stoneleigh Staff and Development Officers with excellent support from the volunteers successfully flew the B.H.S. flag at Badminton Horse Trials, Royal International Horse Show, Burghley Horse Trials, Horse of the Year Show, British Equine Event, National Stud Fair, Olympia and most of the County Shows. At the Suffolk County Show the Princess Royal visited the B.H.S. trade stand and met a large number of volunteers. The Society would like to thank in particular Colonel Gilks, the Regional Chairman for East Midlands, for his splendid leadership over many years and Mr Oates the Regional Chairman for London who played an important part in the restructuring of the Society. The Society

wishes Mrs Elizabeth Harding and Mrs Claire Aldridge much success in their respective new challenges.

B.5 Scotland

1998 has been a full and eventful year. The Society has gone through many changes, we hope all for the benefit of us all. Scotland has had its share of change and still has the promise of change political. No-one knows how this will affect the horse world. We in BHS Scotland have been instrumental in the formation of SEA (Scottish Equestrian Association) hopefully as a channel for future Scottish Sports Council funding. We support Lorna Clarke as chairman of the new enterprise and wish her all success.

The forming of this Association does not mean that the BHS is no longer needed. I believe we, the Society, are needed more than ever. We must continue the work with what we are good at, this is looking after access, training, safety and welfare.

Our Scottish committee and sub-committee structure has often been admired for the amount of work that is accomplished, and for the number of innovative ideas that have been put into action, and then frequently copied. I have in the past advocated that this system should be adopted throughout the Society.

Unfortunately, due to the current financial restraint, our structure is in great danger of folding. The meeting rooms and a limited amount of travelling expenses for the members, formerly paid by the Society, have now to be funded from Scotland. Thus energy which should be going into productive work, will have to be diverted into fund-raising to enable the committees to continue to exist. I shall be campaigning to have the funding for these committees restored.

During 1998, however, we did have some successes. The UNAT direct award was achieved twice in Scotland. First by Strathclyde, which together with regular tests, had a 100% pass rate for 30 Riding Club members on the Island of Arran. The second award was achieved by Highland South, which has less than 400 members in its huge area.

The ragwort campaign was taken up enthusiastically, particularly by Lothian Region, which managed to persuade a number of the local authorities in their area to take action.

Our welfare committee, now led by the vastly experienced Dr Natalie Waran, continues to co-operate with the other welfare organisations in Scotland, SSPCA, ILPH, etc., with each organisation concentrating on what they are most suited to do. BHS in education and dissemination of information, ILPH in rescuing and re-homing, and SSPCA providing the uniformed presence when needed.

The concordat with the Forestry Commission is a great step forward and is the result of long campaigning by BHS Scotland, and in particular by our Access Officer Ann Fraser, and the whole Scottish access committee. More work still has to be done on this, but the principle has been established that horse riding will be treated in the same way as other forest users.

The Scottish training committee ran the very popular 2 day Ferdi Eilberg course, as well as 2 Teaching Technique days with Eric Smiley. These are the high profile courses. What is often not realised is that this committee, under the chairmanship of Janet Spens, has members from every discipline, organises the application for and distribution of Scottish Sports Council grants, and has been in the forefront of co-ordinated training between the disciplines, riding clubs and the Pony Club.

Scottish approved centres hosted the first three TREC competitions to be held in Britain, and these proved very popular. TREC should go from strength to strength in the years to come, providing an additional visitor attraction and one for which the Scottish terrain is ideal to produce excellent competitions.

B.6 Wales

In such a rural country as Wales it might be supposed that off-road riding was readily available to riders. Sadly this is not always the case and BHS Bridleways officers have been continuing to work for better access throughout the whole of the Principality. With rights of way funding at all levels under threat from budgetary restrictions imposed by the Welsh office, and with new initiatives aimed at helping walkers and cyclists but sometimes excluding riders, it has never been more important that the BHS is fighting for off-road access for riders. For North Wales especially the upgrading of the A55 to trunk road status and the resulting severing of bridleways led to a spirited campaign by both local and national BHS volunteers resulting in a specially designed bridge being installed near St Asaph. In South Wales the dualling of the Heads-of-the-Valleys road poses the same threat and the BHS has already been actively campaigning to ensure that off road routes are not affected. In addition BHS volunteers have made representation to groups who take over bridleways, or other routes used by riders and tarmac them in the name of sustainable transport. The BHS have continued to work with the Countryside Council for Wales, and have been in contact with the Welsh Office on issues affecting access such as the introduction of agri-environment schemes where access is a requirement.

The first results of Head Counts are now in and, as the BHS had forecast, show large numbers of horse and ponies in all areas. For the Vale of Glamorgan, Cardiff and Caerphilly the number of horses was in excess of 7,000 and we believe that there are at least 55,000 horse owners in Wales.

All the BHS Welfare Officers have been busy during the year. With such a large population of horses welfare continues to be very important. The Society works closely with a number of other organisations such as the ILPH, Society for the Welfare of Horse and Ponies and the RSPCA. The BHS Wales Horse Ambulance attended nearly 50 shows, events and call-outs during the year and after costs raised over £1,000 towards welfare funds. Three members were able to make use of the ambulance at minimal cost, and the trailer was also used to recover a BHTA member's horse which had been fatally injured during competition at Gatcombe and which the owner wanted buried at home. In this instance, as a non-member, the full charge had to be made.

Equestrian sport in Wales receives very little support from the Sports Council in Wales. Although a number of Sportlot awards were made during the year the BHS received no financial support at all from SCW. In an effort to represent the equestrian world better a number of governing bodies, including BHTA, BSJA, BERA, RDA, Pony Club, BEF and of course the BHS met with the Sports Council. The meeting was very positive and it is hoped that this will lead on to better things.

Training of volunteers was a priority during 1998 with courses or seminars organised for access and welfare officers. In particular the bridleways training day at Llandrindod Wells was well attended, although most people came from external bodies such as the Ramblers or local authorities to take advantage of our expertise.

Because of lack of take up the Riding School proprietors conference was not held. Another conference will be organised for the autumn of 1999.

The Royal Welsh Show was again a great success. During the four days some 3,000 Root Out Ragwort leaflets were given out, 45 new members joined and the BHS Welfare Raffle raised more funds. BHS members and their guests received more than 300 cups of tea and advice was given to those (many) visitors in need of help. 1999 will feature Access and Where to Ride in Wales as well as a Riders' Questionnaire.

Finally, 1998 saw the departure of Hilary Waterhouse, who had been the BHS Development Officer in Wales for the last 16 years. Hilary was diagnosed with a rare blood disorder during the summer and stepped down from her job in January 1999. Mr Chris Waterhouse stepped down as a trustee in order to help provide cover for the BHS in Wales whilst Hilary was on sick leave, and has subsequently been appointed as Development Officer. When Hilary joined the Society there were about 800 members in Wales. In 1998 there were some 2,500. She will be sorely missed.

B.7 Northern Ireland

Membership in the North remained positive but again in the Republic there has been a further fall, largely due to the additional insurance premium of £15 per head required by BEIB but not SEIB.

Yellow Pages: we have continued the block advertisement for Approved Schools in Northern Ireland. Despite a reduction to 15 in 1998, the scheme remained self-financing.

Communication: the Horseman's Annual was again sent out to all members throughout Ireland. Advertising is more difficult to obtain but we wish to keep the standard of the publication.

Training and Education: a seminar was held in March for riding school proprietors and senior staff to update them on legal and insurance matters, also included was a talk from Frances Hay-Smith on the tourism qualifications.

The 1998 **instructor conference** was taken by Mrs Islay Auty on the 19th October with a demonstration and instruction on lungeing. The day included two talks, one on Child Protection and the other on Voice Production, both essential in the field of teaching.

There are now 65 names on the **Register of Instructors**, 35 in the north, 30 in the Republic, this is up from the 46 reported in 1997.

Royal Ulster Agricultural Society Show: we had our usual marquee, now an established feature of the show. It is the only show in Ireland where the Society has a presence. Subletting to other equestrian organisations helps to cover the costs, we gained 20 new members.

Tourism: 12 out of 13 candidates were successful in the British Equestrian Tourism Examinations in March held at Callaigstown Co Dublin. Plans are under way for an examination centre in the north.

Road Safety: training and examinations continue to be taken up in a satisfactory way.

Access: there is little progress in this area, with no statutory bridleways and few rights of way there is no base from which to work. At a meeting with the Department of the Environment we were informed they had no power to enforce local authorities to assert routes if they did not chose to exercise their responsibilities.

Welfare: we are encouraged to have the help of a fully qualified veterinary surgeon as our regional welfare officer.

B.8 Welfare

Rescue & Rehabilitation: Much of the emphasis for the Welfare department in 1998 was directed towards the national rescue centre at Welford on Avon. Opened in September 1997, the centre provided a focus for the welfare work of the Society. In May a very well supported Open Day was held, giving members of the public the opportunity to see the Society's welfare work in progress.

The lease for the pilot scheme at Welford was for only twelve months, so the hunt was soon on for alternative premises. These were found at Oxhill, between Stratford-upon-Avon and Banbury, and a new longer term lease was signed in September, with all the horses and ponies being moved shortly afterwards.

The new premises include 38 loose boxes, up to sixty acres of level grazing, two all-weather maneges and a newly erected building which will house two offices, a lecture/meeting room and a small merchandising area. The facilities offer much improved arrangements for visitors as well as the equine inmates and there are significantly enhanced fund raising opportunities.

A total of forty-three horses and ponies were cared for during the year, with fifteen going on to be found new homes as companions or riding animals. The purpose of the centre is not to

provide a retirement home for unwanted animals, but to rescue, rehabilitate and re-home. It is anticipated that, with this system in place, it will be possible to care for around 100 horses and ponies each year.

Training and Education: During the year, small groups of students from local schools were taken around the Centre under the guidance of the staff. It is planned to increase this type of activity by including the use of the new lecture room for theoretical work as well as practical application.

Case Management: In 1998, over 1200 welfare concerns were handled by the 120 volunteers around the UK, showing an increase of 33% on the figure for 1997. This significant difference was not thought to be due to an increase in the actual number of cases of neglect or cruelty, but because the Society's higher profile led to more reports being directed there rather than to other welfare organisations.

Early in the new year, four ponies were removed from premises on the instruction of the police and taken to the rescue centre. Two others at the same premises had to be humanely destroyed immediately and one of the four which were signed over to the Society was also found to be in such poor condition that it could not be saved. The owner of these animals is likely to be the subject of a police prosecution and the case illustrates the Society's increased involvement with other authorities in order to prevent further neglect or cruelty.

Awards: At the special awards ceremony at Saddlers Hall in November, HRH The Princess Royal presented the Welfare Award to Miss Dinah Harris, welfare representative for Oxfordshire, in recognition of her tireless work over the past twenty-six years.

Committee: The changes in the Society's committee structure led to the Regional Welfare Officers having a greater role in the submission of recommendations to the Board on matters such as training of welfare representatives and case management. In addition, this group undertook to update the Manual of Guidance for Welfare Representatives and to formulate a structured training programme for all welfare volunteers.

B.9 Horse and Pony Breeds Committee

International Equestrian Trade Fairs: Following the success of Essen Equitana in 1997, a team of five ponies was taken to the trade fair at Hanseperd, Hamburg in April 1998, to demonstrate the versatility and ability of the British pony breeds. The team took part in a parade through the streets of Hamburg and performed in front of a capacity crowd in a jumping relay against the Hamburg police (needless to say, the relay was won by the ponies!). The show also provided an opportunity to distribute leaflets and information on all the British breeds, about which there was a great deal of interest.

Pony Pilgrimage: The extremely successful ride demonstrated the qualities of the British native pony breeds as well as highlighting the advantages and a few of the problems of the network of bridleways throughout the country. The gala finale at the Royal Show was hugely popular with spectators and participants.

Veterinary Medicines Legislation: The department was involved in discussions over the intended introduction of new legislation which would effectively have made it illegal to use such drugs as phenylbutazone. As a result of vigorous protest through the British Equine Veterinary Association, a derogation has been given to allow the continued use of these drugs in equines which are not intended for the human food chain.

B.10 Access and Rights of Way

Access to Woodland and Forests should be more welcoming in the future. 1998 saw progress made with **Forest Enterprise** which has now accepted that permits need not be necessary for all their land. The two Chief Executives signed a Concordat in Edinburgh which means many woodlands and forests tracks and roads will be available from May 1999 without permit but most of the 'honeypot' sites and some with sensitive ground conditions will continue to require management by permit although once issued a permit will give access to all permit managed FE land. This will be a considerable improvement to the current system but the Society will continue to strive for unrestricted access to routes on publicly owned land. **The Woodland Trust** has also signed up to a more positive policy towards equestrian provision for its woodlands. A Statement of Co-operation was signed in November which makes clear to all involved in managing and using the woodlands that provision for equestrian access will be considered when drawing up management plans for new acquisitions and in managing existing sites.

The Horse and Head Count continued in Devon, Essex, Warwickshire and in areas of North and South Wales. Most of the survey work was completed but the department was not able to take the work forward due to lack of staff resources. This work will be completed as soon as time allows.

Following exchange of letters, officials from **Railtrack** came to Stoneleigh for a liaison meeting which ended with both our organisations having a much improved understanding of each others needs. Problems with level crossings were the main topic and we are already seeing a more enlightened understanding of equestrian needs.

The Government invited comments on its **Access to the Open Countryside** White Paper and Trustees approved a policy statement saying that whilst the Society had no view on the actual proposals it was disappointed that the White Paper only referred to access for walkers. The statement and our detailed submission urged the Government to ensure that whichever mechanism was used to give open access to walkers, it must provide for equestrian access on all suitable routes within the new access area. The Government's announcement was still awaited at the time of writing.

The Society submitted written statements to assist the **House of Commons Environment Sub-Committee's** review on two topics. One on the effectiveness of **English Nature** in relation to its responsibilities for the wider countryside and the other on the Government's proposal to establish a new **Countryside Agency** to replace the Countryside Commission and the Rural Development Commission.

The **BHS Native Pony Pilgrimage** raised the national profile of the nine native pony breeds and of the importance of having an extensive network of riding routes. The pilgrimage started in Shetland at the end of March followed by the other eight breeds setting off from their own feral areas so as to time their arrival at the Royal Show at Stoneleigh. All these journeys and individual efforts were brought to a fitting end with a first class Native Pony Pilgrimage Pageant lasting half an hour in the Grand Ring at the Royal Show on Wednesday 8 July.

Over the years the Society has submitted comments based on safety considerations for a number of windfarm proposals and relying on quoting the **Windfarm Policy Statement** which advises on the need for a minimum safety margin of 200 metres between the base of a turbine and the nearest riding/driving route. This advice had been largely ignored so it was decided to pursue adoption of the BHS advice at a Public Inquiry in mid-Wales held to consider the Cemmaes Windfarm proposal which if approved would mean that at least two turbines would be less than 25 metres from an equestrian route. A number of BHS volunteers combined with officers to produce written submissions and the Head of AROW represented the Society. The Inspectors decision is still awaited but in the meantime the Society has continued to try and persuade Government to adopt the BHS policy. During the year we secured the Rights of Way Review Committee's support to the specific request to Government that they introduce new safety guidelines into the advice given in the Planning Policy Guidance for Renewable Energy (PPG 22). We await the Secretary of State for the Environment, Transport and the Regions but in the meantime we have consulted on a revision of the BHS policy to relate the safety margin to the height of the turbine given that the average height has risen from around 40 metres to 100 metres.

Training of the AROW volunteers continued to be a priority for the department and with the help of grants from the Countryside Commission and the Countryside Council for Wales we ran **Intermediate Training Days** in five locations in England and Wales on the subject of Documentary Evidence (Finance Act maps, Tithe maps etc.). The department also ran an **AROW Conference** at Warwick University to which all the Regional and County Access and Bridleways officers were invited to hear presentations from the Countryside Commission, Forest Enterprise, Country Landowners Association and Sustrans as well as participating in discussion sessions. We also had very worthwhile displays from SEIB and from the Ordnance Survey. Just under 100 volunteers attended and the Society was grateful to the Countryside Commission for a grant towards the running costs.

The '**... on Horseback**' series of trail guides has slowed in pace with the final three publications in the present series, Lincolnshire, Kent and the 240 mile long distance Heritage Route, drawing together their final route research prior to publication. Many hours of intensive work has gone into these publications and a great deal of help has been received in all three cases from volunteers and in particular from Lincolnshire County Council who see their book as a worthwhile publication to replace their own bridle trail cards which have now sold out.

We continued to hold **liaison meetings** with key organisations including the Countryside Commission, the Countryside Council for Wales, Department of the Environment ,Transport and the Regions, the Highways Agency, Cyclist's Touring Club, the Ramblers Association, Sustrans and the Country Landowners Association.

B.11 Safety

The Safety 2000 campaign launched in 1997 continued to raise the profile of road safety throughout 1998. As part of this the SEIB Challenge was introduced - a monthly competition with a prize of £200 awarded to the county showing the greatest percentage increase in the number of road safety tests for the winning county's road safety fund. This generous sponsorship from SEIB will fund the competition for 12 months.

Recipients of the Sefton Awards were Dr John Lloyd-Parry, Mrs Eleanor Hill and Mr John Baxter. An Awards Ceremony took place at Knightsbridge Barracks, courtesy of the Commanding Officer, Lt. Col. H.G. Scott on 12 March 1998 with Lord Vestey making the presentations.

Peugeot and Horse Magazine produced a Road Safety video with the assistance of Berkshire Riding and Road Safety volunteers. This video was then given as a free gift with the August edition of Horse Magazine.

Further regional training days were organised for road safety examiners, concentrating on Health & Safety and Risk Assessment and a course has now been held in every region.

Protective Headgear Standards PAS 015 and EN 1384 were joined by the USA standard ASTM F1163 (with either a Kitemark or SEI) and all three standards are now recommended by the BHS.

A Safety Symposium, in conjunction with the MEA, attracted an audience of about 100 who listened to an interesting programme of presentations from a panel of speakers including Dr Michael Turner (Jockey Club), Miss Karen Jones (Surrey County Council), and several others on a wide variety of subjects.

National Riding Week included a Trailer Towing & Safety Demonstration in Scotland and Road Safety Information Day in Swansea.

B.12 Training

The winter series of one day seminars at Stoneleigh proved very popular once again and attracted an average audience of about 50 keen to listen and learn from presentations on a wide variety of topics.

A bid for funding from the European Leonardo da Vinci programme was successful and this covered the cost to enable 19 registered instructors (mainly BHSIs) to make a two week visit to one of the following countries, Sweden, Finland, Holland, Germany, France, Italy and Spain where they were able to experience teaching and learn about the training of instructors, riders, horses and the equestrian industry generally in the host country.

Careers Day "So You Want to Work With Horses", now an annual event, attracted an audience of some 450 people interested in finding out about a career in the horse industry and the wide range of opportunities available.

The Riding Opportunities Scheme, generously sponsored by the Worshipful Company of Saddlers continued. Two new schemes were introduced but some of the long running ones came to an end because of time constraints caused by the National Curriculum.

In November Nicole Uphoff and Christoph Hess from Germany presented the Annual Instructors Convention and enthralled an audience of some 650 for 2 days at the BEC. A combination of teaching riders at all levels from Riding Club to Grand Prix and riding demonstrations by Nicole Uphoff to emphasise techniques attracted many compliments and rated this as "one of the best ever Conventions" to round off 1998.

An international examination for Level 1 and Level 2 instructors was organised in April by the Italian Equestrian Federation at Pratoni del Vivaro, the Italian National Equestrian Centre and venue for the World Equestrian Games. Twenty four candidates from twelve countries were examined over two days by an international panel of 6 examiners which included two senior BHS examiners. Almost all candidates were successful and those who were received special certificates presented by the Director of Training from the Italian Federation. Among the successful were four representatives from the UK (two at Level 1 and two at Level 2) who were great ambassadors both for their country and the BHS. These examinations were extremely well organised and thirty good quality horses were made available. There was great camaraderie and support for each other amongst the candidates and this wonderful opportunity was much appreciated by all who took part.

B.13 Examinations

The number of exam candidates applying throughout 1998 continues to remain steady. A total of 650 BHS examinations were held with 9,350 candidates being examined. The breakdown of candidate statistics shows;

8,300 working towards the BHSAI

950 working towards the BHSII

The remainder represent BHSI And Fellowship candidates through 1998.

Scottish/National Vocational Qualifications

In December 1998 the British Horse Society was successful in its application for 'Sole Awarding Body' status of NVQ's. Previously we have been the Joint Awarding Body in conjunction with the NHETC, BHTB and C&G. This exciting change means that whilst we continue to work closely with NHETC regarding the standards of the awards, we are now in a better position to make immediate improvements to the service and administration of this system.

BHSI Examination

With the increasing operating difficulties of holding this examination at Stoneleigh, we have now moved the location and completed the first set of BHSI exams at Huntley School of Equitation and Hartpury College, in Gloucestershire. It is envisaged that alternative venues will be sourced and used for future exams.

Fellowship

The final Fellowship to be held at Stoneleigh took place in October. There were 6 candidates attending the 3 days of exams and the successful candidates were Mrs Sabrina O'Reilly and Mr Robert Pickles.

Overseas Exams

We continue to receive requests for BHS exams from overseas centres. The candidate numbers continue to grow and we look forward to further exams in Spain, America and Hong Kong through 1999.

B.14 Riding Schools and Recreational Riding

Following the restructuring of the T&E department, the Riding Schools and Recreational Riding section has been operating as a separate department whilst maintaining the old levels of co-operation and co-ordination with the Exams department and the Training and Safety department.

Despite the increased workload, the levels of service to Approved Riding Establishments have improved, most notably with a free advice line on legal, personnel and other management concerns being added to the benefits enjoyed by Approved Centres from the beginning of 1999. This advice line has come not a moment too soon, as a raft of new legislation being introduced during 1998 and 1999 affects the management of riding schools. The Working Time Regulations (Oct '98) and the National Minimum Wage (April '99), whilst perhaps the most significant, are by no means the only changes facing this sector during what promises to be a challenging period.

The work done by the Public Relations department has greatly raised the profile of problems faced by riding schools and at the time of writing we await the outcome of a vigorous political debate with considerable interest.

Elsewhere the department has successfully steered the Riding Schools Competition for young people through its second year. With only one more year to run with its current sponsor, the search for a new sponsor is a high priority.

In support of the tourist sector, the establishment of a full programme of TREC competitions during 1999 has been welcomed. The department continues to organise Great Britain's involvement in international competition, and encourage riders unfamiliar with this discipline to try the activity for the first time. There is no doubt that this activity has already had an

impact on the tourist sector in Scotland, and has the potential to do the same in England, Wales and Northern Ireland. It is also offering a way for the Society to work closely with those specialist organisations such as the Trekking and Riding Society of Scotland, and with broad based tourist organisations.

As part of this, the Society has been involved with one county council in England as it seeks to develop a long term strategy on equestrian tourism.

Key general developments planned for the future include the appointment of full time employed inspectors for riding establishments and the introduction of grading systems for riding schools, livery yards and holiday centres.

B.15 Riding Clubs

Riding Clubs enjoyed another very successful and busy year in 1998. As ever, this was largely attributable to the dedication of our volunteers, and their endless enthusiasm for Riding Club activities.

In 1998 ten new Clubs became provisionally affiliated to the BHS, and seven more are currently awaiting approval. Two clubs were granted full affiliation, with a further eight pending. Eight clubs disaffiliated, five of which actually disbanded.

Competitions:

The 1997 report commented on 'appalling weather conditions', and unfortunately 1998 did not see much improvement. The Easter floods meant the Festival of the Hunter had to be cancelled, causing obvious disappointment to all involved. However, thanks to the dedication and flexibility of our officials and hosts, the Festival was rescheduled, and a remarkably small number of competitors had to drop out due to the date change.

The Horse Trials Championships saw a change of venue to the Offchurch Bury Estate in Warwickshire. This proved to be an ideal location for roads and tracks as well as cross country - feedback from the 400 competitors was extremely positive, and the venue is to be used again in 1999.

The National Championships at Malvern saw yet another increase in entries, with over 1500 numbers issued, and around 900 horses stabled on site over the week-end.

For the first time members were able to take part in the BRC Endurance Challenge, as part of the Alfred's Tower Ride in Somerset. Our thanks go to the British Endurance Riding Association for hosting this event.

Training:

Riding Clubs continued to provide quality training to its members - 367 took advantage of the free stable management training on offer last spring - the largest number to date. The annual training week-end for horse care advisers was particularly successful, with entertaining and informative lectures from Derek Knottenbelt and William Micklem.

Regional training grants were again provided for each of the 23 BRC areas. These grants were used for a wide range of training activities, from dressage clinics to lectures on handling young animals.

The highlight of the BRC training year was undoubtedly our national demonstration day. Monty Roberts flew in from Germany - specifically for Riding Clubs - and presented a full day's demonstration completely free of charge. Our sincere thanks go to Mr Roberts and his team for their generosity, which provided BRC with its best demonstration day yet, and left a capacity crowd at the BEC absolutely spell bound.

Perhaps the most notable and important development in 1998 was the July vote by the Riding Clubs Executive Committee to move forward within the BHS. Since that date, the working relationship has improved enormously, and much of this can be attributed to better communication at all levels. The trustees confirmed their support of BRC with a £6000 training grant, and continue to work with the Riding Clubs Committee.

B.16 Merchandising

In an unsettled and at times chaotic year, during which the staff and even the department had an uncertain future, we continued to sell a comprehensive range of equestrian books, videos and audio tapes. This covered all matters relating to the horse, including breeding, training, welfare and competing. Our own range of books and leaflets were supplied. These are designed to help horse owners and riders and to detail and assist in the training and examination of all those wishing to teach in the industry.

In addition to the postal and telephone sales generated through the mail order catalogue, other sales resulted from displays at major shows, including Badminton, Burghley, Horse of the Year and Olympia. Other displays and presentations were staged by development officers and volunteers extensively throughout the UK.

Other merchandise including greetings and Christmas cards were also sold to encourage interest in the work of the Society. Further sales resulted through product information being placed in the major equestrian magazines.

B.17 Press Office and Public Relations

The Public Relations and Marketing Department had a traumatic 1998, with several staff departing as part of the re-organisation of the Society. Throughout it all, the press office - reduced to just one press officer, Mrs. Nichola Gregory - ensured that the BHS continued to receive considerable media attention - commencing with the announcement that HRH The Princess Royal was to take on the BHS Presidency.

The Riding Schools competition, the successful culmination of the campaign to get equestrian related accidents recorded on the Police Stats 19 form, and the appointment of the new Board of Trustees all received considerable coverage in equestrian and regional press.

A new Chief Executive in July, National Riding Week, and the Pony Pilgrimage all created a great deal of media interest. But the big success story during the summer months was the highly successful ragwort campaign. Designed to raise public awareness in the media, it far exceeded its objective.

The national focus on access and rights of way enabled the BHS to highlight the lack of bridleways through its fight for more equestrian access provision.

In November, the department was strengthened with the arrival of Mrs Janet George as Head of Public Affairs, with responsibility for public relations, political lobbying and membership marketing. The decision was made to bring the production of *British Horse* and the management of the BHS web-site in-house, to enable better control and management of these two important communication tools.

The department's top priority is to ensure that the BHS not only promotes equestrian issues, but is seen to be actively fighting on behalf of the membership on issues that concern them.

C Financial review

The Board of Trustees assumed responsibility for the financial affairs of the British Horse Society on 1 January 1998. A budget, which had been prepared by the old administration, was already in place. At an early stage, it became clear to the new Board of Trustees that the income stream on which this was based would not be achieved, largely because it depended on a rise in membership. This forecast is perhaps surprising given that Dressage was in the process of leaving the Society. To deal with this the Acting Chief Executive, Michael Clayton, put in place savings measures through redundancies during the first half of the year. The new Chief Executive, Hywel Davies, who was appointed in July took further and immediate steps to bring expenditure into line through further redundancies and a series of spending controls.

The redundancies in 1998 will effect savings of some £350,000 in 1999 and will go a good deal towards rectifying the cash outflow. Unfortunately they had little effect in 1998 and, because of redundancy and notice payments, created a saving of around £26,000. Had these redundancies been put in place as the size of the Society contracted much of the outflow of funds in 1998 could have been avoided.

The accounts contain some exceptional items. (See note 6) The Chief Executive discovered a number of items which were unrealistically valued in previous accounts. £155,000 had been spent on M2000, a computerised membership database, which showed no prospect of reaching fruition and it has accordingly been written off. Valuation of stock within the bookshop showed a number of discrepancies with £195,984 of stock redundant or slow-moving and unlikely to show a profit in the foreseeable future. The overall stock figure has therefore been reduced from £404,152 in December 1997 to £89,000 in December 1998. The telephone system which was purchased for the new offices at a total cost of £53,781 is of 1986 design and is therefore not 2000 compliant. Considerable problems have been

encountered in operating it and the only sensible way forward is to purchase a new system which should cost no more than £25,000 spread over the next six years.

The Trustees feel it necessary to state that in their opinion less than due diligence was given to the financial control of the Society by the old GP&F Committee and the Council. In particular they are critical of the professional senior management which was in place at the time and which was largely the cause of many of the problems which occurred. While it is easy to be critical with the benefit of hindsight, it is nevertheless obvious that with a different form of management many of the problems which the BHS encountered over the last ten years might have been avoided.

The Society is now operating within a different regime with far tighter financial controls and proper control over accounting systems. The Society has a balanced budget for 1999; nevertheless the next two years will be critical ones for the Society and success in terms of recruiting new members is vital to its long-term well being.

D Assets and obligations

The Society has a policy, in relation to unrestricted funds, of aiming to have in reserves sufficient to cover the value of fixed and trading assets plus two months expenditure and a further 15% of annual costs. Following the result for 1998, the actual reserves fall short but the Board considers that it has adequate reserves to fund current plans.

The designated funds, £199,798 for use in training, safety and access are considered adequate for their commitments.

The 12 restricted funds, £672,619 itemised in the accounts, are considered adequate for their commitments.

E Other charities

The Society maintains a close relationship, the nature of which is given beside each in italics, with

The Worshipful Company of Saddlers - *consultative*

The Home of Rest for Horses - *consultative*

The Royal Society for the Prevention of Cruelty to Animals - *working co-ordination*

The International League for the Protection of Horses - *working co-ordination*

The Riding for the Disabled Association - *consultative and working co-ordination*

Animal Health Trust - *consultative*

Royal Agricultural Society of England - *consultative and working co-ordination*

The Pony Club - *consultative and working co-ordination*

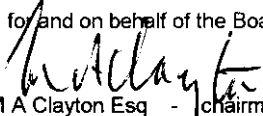
THE BRITISH HORSE SOCIETY

Statement of the Board's responsibilities

We are required by company law to prepare accounts, for each financial year, which give a true and fair view of the state of affairs of the Society as at the end of the financial year and of the surplus or deficit of the Society for that period.

In preparing the accounts, appropriate accounting policies have been used and applied consistently, reasonable and prudent judgements and estimates have been made and the accounts have been prepared on a going concern basis.

We are responsible for maintaining adequate accounting records, for safeguarding the assets of the Society and for taking reasonable steps for preventing and detecting fraud and other irregularities.

for and on behalf of the Board

M A Clayton Esq - chairman
31st March 1999

Report of the auditors

to the members of

The British Horse Society

We have audited the accounts on pages 23 to 35 which have been prepared under the accounting policies set out on page 23.

Respective responsibilities of directors and auditors

As described above, the Board, whose members also act as trustees for the charitable activities of the Society, are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion based on our audit, on those accounts and to report our opinion to you.


Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Board in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Society and of the group at 31st December 1998 and of the incoming resources and application of resources, including the income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KIDSONS IMPEY
Registered Auditors
Chartered Accountants

Coventry
31st March 1999

Accounting policies**1 Basis of accounting**

The accounts have been prepared in accordance with the statement of recommended practice "Accounting by charities" and with applicable accounting standards. They are drawn up under the historical cost accounting rules, with the exception of investments which are stated at market value. No separate income and expenditure account is presented for the Society as provided by section 230 of the Companies Act 1985.

2 Basis of consolidation

The group accounts consolidate the accounts of the Society and of its subsidiary undertaking. Intra-group transactions are eliminated on consolidation. Surpluses and deficits of organisations entering or leaving the group are included from the date of acquisition or up to the date of disposal.

3 Incoming resources

All income is stated net of VAT, where VAT is chargeable. There have been no significant changes in operations during the year.

4 Subscriptions

Life subscriptions are credited in full to income in the year of receipt and annual subscriptions are credited on a monthly basis.

5 Legacies and donations

Credit for income arising under these headings is taken in the year of receipt. Donations and legacies received for the general purposes of the Society are credited to "other charitable funds". Donations and legacies, subject to specific wishes of the donors are carried to relevant restricted funds, or to endowed funds where the amount is required to be held as permanent capital.

6 Depreciation

Tangible fixed assets are depreciated from the date of acquisition on a straight line basis to write off their cost over their expected useful lives. The annual rates applied to the principal items are:

freehold land	no depreciation is provided
freehold buildings	over 25 years
short term leasehold buildings	over the period of the lease
fixtures and fittings	20% - 33.33%
motor vehicles	25%
computer equipment	33.33%

Grants received, in respect of fixed assets, are credited to a deferred income account, which is released to profit over the life of the asset concerned.

7 Operating leases

Rentals paid under operating leases are charged to income in the period to which they relate.

8 Defined contribution pension scheme

Pension contributions are charged to income as they become payable in accordance with the rules of the scheme.

9 Stocks

Stocks, which consist mainly of publications and other goods for resale, are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis; net realisable value is based on estimated selling price less the estimated cost of disposal.

THE BRITISH HORSE SOCIETY

Group statement of financial activities

for the year ended 31st December 1998

	Note	Unrestricted funds £	Restricted funds £	Total 1998 £	Total 1997 £
Incoming resources					
Subscriptions and fees		3 270 298	0	3 270 298	3 805 628
Donations	1	77 303	148 792	226 095	199 173
Grants	1	0	243 428	243 428	216 826
Sundry other income	2	206 414	0	206 414	255 123
Investment income	3	120 524	33 025	153 549	269 562
Net income of trading subsidiary	4	16 746	0	16 746	0
Total incoming resources before exceptional items		3 691 285	425 245	4 116 530	4 746 312
Resources expended					
Direct charitable expenditure					
Training		(1 190 964)	(254 699)	(1 445 663)	(1 673 042)
Safety, access and welfare		(415 603)	(121 342)	(536 945)	(585 657)
Membership support costs		(1 347 980)		(1 347 980)	(1 251 359)
		(2 954 547)	(376 041)	(3 330 588)	(3 510 058)
Other expenditure					
Fundraising and publicity		(217 286)	(5 608)	(222 894)	(412 626)
Management and administration of the charity		(1 413 510)	0	(1 413 510)	(1 170 406)
Total resources expended before exceptional items	5	(4 585 343)	(381 649)	(4 966 992)	(5 093 090)
Exceptional items	6	(350 583)	0	(350 583)	(431 338)
Net (outgoing) incoming resources after exceptional items before transfers		(1 244 641)	43 596	(1 201 045)	(778 116)
Transfers between funds	16, 17, 18	(55 074)	55 074		
Net (outgoing) incoming resources		(1 299 715)	98 670	(1 201 045)	(778 116)
Gains on investment assets					
Realised			2 326	2 326	0
Unrealised		(924)	3 010	2 086	10 586
Net movement in funds		(1 300 639)	104 006	(1 196 633)	(767 530)
Fund balances brought forward at 31st December 1997		2 430 287	568 613	2 998 900	3 766 430
Fund balances carried forward at 31st December 1998		1 129 648	672 619	1 802 267	2 998 900

A separate statement of income and expenditure has not been prepared on the basis that there is no significant difference from the group statement of financial activities.

A separate statement of recognised gains and losses has not been prepared as the Society has no material recognised gains or losses other than the net income (expenditure) for the year.

Group cash flow statement

for the year ended 31st December 1998

	1998	1997
	£	£
Net cash (outflow) inflow from operating activities	(592 742)	(1 192 186)
Returns on investment and servicing of finance		
Interest received	120 524	231 431
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	(488 314)	(987 601)
Grants receivable	0	16 305
Receipts from sale of tangible fixed assets	81 273	53 904
	(407 041)	(917 392)
Financing activities		
Net amount received (paid) on restricted funds - note 16	48 932	72 233
Net amount received (paid) on designated funds - note 17	2 292	(131 127)
Management of liquid resources		
Realisation of short term deposits	611 635	1 238 573
	<u>(216 400)</u>	<u>(698 468)</u>

Notes to the group cash flow statement

Reconciliation of operating surplus to net cash inflow from operating activities

Operating (deficit) surplus	(1 368 381)	(938 956)
Depreciation less profit on disposal	219 244	160 718
(Increase) decrease in stocks	305 091	129 351
Decrease (increase) in debtors	309 538	(167 848)
(Decrease) increase in money received in advance	40 106	10 622
Increase (decrease) in other creditors	(96 254)	(375 487)
Decrease (increase) in market value of current asset investments	(2 086)	(10 586)
Net cash (out)inflow from operating activities	<u>(592 742)</u>	<u>(1 192 186)</u>

Analysis of changes in net funds

	31 Dec 97	Cash flows	Other changes	31 Dec 98
	£	£	£	£
Cash at bank	905 421	(216 400)		689 021
Current asset investments	98 277	(4 576)	2 086	95 787
Short term deposits	1 225 574	(607 059)		618 515
	<u>2 229 272</u>	<u>(828 035)</u>	<u>2 086</u>	<u>1 403 323</u>

Reconciliation of net cash flow to movement in net funds

	1998
	£
Decrease in cash for the year	(216 400)
Net outflow from liquid resources	(611 635)
Unrealised gains on revaluations in the year	2 086
Change in net debt	(825 949)
Net funds at 31st December 1997	2 229 272
Net funds at 31st December 1998	<u>1 403 323</u>

THE BRITISH HORSE SOCIETY

Balance sheet

Group and The Society

at 31st December 1998

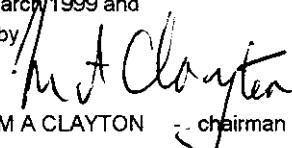
	Note	Group		The Society	
		1998 £	1997 £	1998 £	1997 £
Fixed assets					
Tangible assets	9	1 259 774	1 071 977	1 259 774	1 071 977
Investments	10	0	0	5 000	5 000
		<u>1 259 774</u>	<u>1 071 977</u>	<u>1 264 774</u>	<u>1 076 977</u>
Current assets					
Stocks		106 177	411 268	16 917	7 116
Debtors					
amounts falling due					
within one year	11	389 613	677 159	320 886	701 741
after more than one year	12	135 322	157 314	335 322	707 314
Investments	13	714 302	1 323 851	714 302	1 323 851
Cash at bank and in hand		689 021	905 421	583 486	605 879
		<u>2 034 435</u>	<u>3 475 013</u>	<u>1 970 913</u>	<u>3 345 901</u>
Current liabilities					
Creditors due within one year	14	1 491 942	1 548 090	1 447 416	1 421 228
		<u>542 493</u>	<u>1 926 923</u>	<u>523 497</u>	<u>1 924 673</u>
Net current assets					
		<u>1 802 267</u>	<u>2 998 900</u>	<u>1 788 271</u>	<u>3 001 650</u>
Net assets					
		<u>1 802 267</u>	<u>2 998 900</u>	<u>1 788 271</u>	<u>3 001 650</u>

represented by

Income funds

Restricted funds	16	672 619	568 613	672 619	568 613
Unrestricted funds					
Designated funds	17	199 798	259 969	199 798	259 969
Other charitable funds	18	929 850	2 170 318	915 854	2 173 068

The accounts were approved by
the Board on 31st March 1999 and
signed on its behalf by


M A CLAYTON - chairman


Mrs H T PHILLIPS FCA - treasurer

Total reserves

<u>1 802 267</u>	<u>2 998 900</u>	<u>1 788 271</u>	<u>3 001 650</u>
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NOTES ON THE ACCOUNTS

for the year ended 31st December 1998

1 Donations and grants receivable

Donations receivable include the following :

	1998 £	1997 £
Mrs Winifred Sutton deceased	103 235	0
R G Hills Charitable Trust	15 000	0
J A Farrell deceased	8 107	0
Elise Pilkington Charitable Trust	0	89 000
Pet Plan - milestone ride	0	35 000
Marjorie Coote Animal Charity Trust	6 000	5 500
Home of Rest for Horses	7 200	0
British Showjumping Association	0	3 896

Grants receivable include the following :

Scottish Natural Heritage	14 972	9 125
Sports Councils		
England	18 400	23 000
Scotland	15 425	21 609
Wales	0	1 500
Northern Ireland	0	0

2 Sundry other income

Sundry other income includes the following :

Fundraising	52 637	85 955
Miscellaneous	153 777	169 168
	<u>206 414</u>	<u>255 123</u>

3 Investment income

Income from listed investments	5 239	6 359
Income from investment property	18 147	
Interest receivable	130 163	263 203
	<u>153 549</u>	<u>269 562</u>

4 Net income of trading subsidiary

The Society has one wholly owned trading subsidiary, which is incorporated in England. The British Horse Society Trading Company) Limited undertakes the trading activities of the Society and covenants its taxable profits to the Society. A summary of its trading results is shown below. Audited accounts have been filed with the Registrar of Companies.

Profit and loss account

	1998 £	1997 £
Turnover	994 332	1 455 759
Cost of sales	(870 192)	(1 219 578)
Exceptional items	(73 337)	(122 597)
Operating profit	50 803	113 584
Interest receivable	6 727	10 659
Interest payable	(33 784)	(74 743)
Profit on ordinary activities before taxation	23 746	49 500
Taxation	0	0
Profit on ordinary activities after taxation	23 746	49 500
Amount covenanted to The British Horse Society	(7 000)	(49 500)
Retained in subsidiary undertaking	<u>16 746</u>	<u>0</u>

5 Analysis of total resources expended

	Staff costs	Other	Depreciation	Total 1998 £	Total 1997 £
Direct charitable expenditure					
Training	301 705	1 130 772	13 186	1 445 663	1 673 042
Safety, access and welfare	310 104	211 874	14 967	536 945	585 657
Membership support costs	344 269	972 762	30 949	1 347 980	1 251 359
	<u>956 078</u>	<u>2 315 408</u>	<u>59 102</u>	<u>3 330 588</u>	<u>3 510 058</u>
Other expenditure					
Fundraising and publicity	99 547	118 779	4 568	222 894	412 626
Management and administration of the charity	466 078	840 693	106 739	1 413 510	1 170 406
Total	<u>1 521 703</u>	<u>3 274 880</u>	<u>170 409</u>	<u>4 966 992</u>	<u>5 093 090</u>

5 Analysis of total resources expended continued**Other expenditure includes :**

	1998	1997
Auditors' remuneration	£	£
for audit work	14 000	13 500
for non-audit work	3 390	8 850

6 Exceptional items

Transfer of funds to The Pony Club	0	388 374
Expenditure on constitutional changes	0	69 056
Provision for slowmoving stock	73 337	122 597
Programming costs written off	142 096	30 417
Additional depreciation on switchboard	44 884	0
Termination payments following reorganisation	90 266	0
Sale of businesses to BHTA, BER, BHDТА, and BEV	0	(179 106)
	<u>350 583</u>	<u>431 338</u>

7 Trustees and employees**Trustees**

No remuneration is paid to any trustee by virtue of his or her position on the board. The trustees who held office throughout the year are shown on page 35.

The cost of reimbursing expenses to trustees during the year amounted to	22 723	40 204
Fees paid to trustees during the year amounted to	6 594	3 640
The cost of providing directors and officers insurance during the year amounted to	<u>1 508</u>	<u>1 650</u>

Staff costs

Wages and salaries	1 135 954	1 363 362
Social security costs	118 011	137 483
Other pension costs	105 852	106 572
Life assurance costs	8 888	9 803
	<u>1 368 705</u>	<u>1 617 220</u>

The Society operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society in an independently administered fund. The pension cost charge represents the contributions payable by the Society to the fund.

	1998	1997
Highest paid employee	<u>£ 51 360</u>	<u>£ 91 986</u>
Other employees receiving	number	number
£ 40,001 - £ 50,000	<u>1</u>	<u>2</u>

The items used to determine the above values are

gross salary, employer's contribution for pension and life cover and the taxable value of benefits in kind.

The average number of employees throughout the year was

directly charitable activities	48	59
fundraising and publicity	16	22
management and administration	4	6
	<u>68</u>	<u>87</u>

Wages and salaries divided by the average number of employees

<u>£ 16 705</u>	<u>£ 15 671</u>
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8 Taxation

	1998	1997
	£	£
Corporation tax	<u>0</u>	<u>0</u>

Notes continued

for the year ended 31st December 1998

9 Tangible fixed assets
Group and The Society

	Freehold property £	Leasehold property £	Fixtures fittings & equipment £	Motor vehicles £	Total £
Cost					
At 31st December 1997	751 291	135 387	718 269	296 326	1 901 273
Additions	295 211	0	110 123	82 980	488 314
Transfer to investment property	0	(94 081)	0	0	(94 081)
Disposals	0	0	(49 225)	(150 198)	(199 423)
At 31st December 1998	<u>1 046 502</u>	<u>41 306</u>	<u>779 167</u>	<u>229 108</u>	<u>2 096 083</u>
Depreciation					
At 31st December 1997	0	129 137	601 945	98 214	829 296
Charge for the year	16 346	1 500	122 224	75 223	215 293
Transfer to investment property	0	(94 081)	0	0	(94 081)
Disposals	0	0	(43 112)	(71 087)	(114 199)
At 31st December 1998	<u>16 346</u>	<u>36 556</u>	<u>681 057</u>	<u>102 350</u>	<u>836 309</u>
Net book value					
At 31st December 1998	<u>1 030 156</u>	<u>4 750</u>	<u>98 110</u>	<u>126 758</u>	<u>1 259 774</u>
At 31st December 1997	<u>751 291</u>	<u>6 250</u>	<u>116 324</u>	<u>198 112</u>	<u>1 071 977</u>

The cost as shown above represents the full cost to the Society before deducting grants and contributions received.

During 1998, these amounted to £ NIL (1997 £ 16,305).

All fixed assets owned by the Society, except Allander House, are used for direct charitable purposes. With effect from 6th May 1998, part of Allander House was leased to The Pony Club, a registered charity.

Capital commitments

Future capital expenditure authorised but not committed to contract

1998 £	1997 £
<u>0</u>	<u>88 200</u>

Future capital expenditure authorised and committed to contract

1998 £	1997 £
<u>0</u>	<u>163 500</u>

10 Fixed asset investments**The Society**

Shares in subsidiary undertaking :

At 31st December 1997

5 000 2

Shares purchased during the year at par

0 4 998

At 31st December 1998

5 000 5 000

The Society owns the entire ordinary share capital of The British Horse Society (Trading Company) Limited, which is incorporated in England and undertakes the trading activities of the Society.

Investment property

Cost

At 31st December 1997

0 0

Transfer from tangible fixed assets

94 081 0

At 31st December 1998

94 081 0

Depreciation

At 31st December 1997

0 0

Transfer from tangible fixed assets

94 081 0

At 31st December 1998

94 081 0

Net book value

At 31st December 1998

0 0

At 31st December 1997

0 0

By 30th April 1998, the move to new offices on Stoneleigh Deer Park was complete and the former main offices were leased to British Equestrian Federation Limited. An independent assessment of the former offices, as at 31st December 1998, valued them, on an open market value basis, at £ 50,000, a value which the trustees have decided not to recognise in the balance sheet, for reasons of prudence.

Notes continued

for the year ended 31st December 1998

11 Debtors : amounts falling due within one year

	Group		The Society	
	1998	1997	1998	1997
	£	£	£	£
Trade debtors	221 105	331 160	155 409	209 647
Loans to event organisers	11 500	6 000	11 500	6 000
Current account with subsidiary undertaking	0	0	0	168 485
VAT recoverable	931	49	892	0
Other debtors	61 704	46 345	63 314	57 516
Prepayments	94 373	293 605	89 771	260 093
	<u>389 613</u>	<u>677 159</u>	<u>320 886</u>	<u>701 741</u>

12 Debtors : amounts falling due after more than one year

Loans to event organisers	22 500	28 000	22 500	28 000
Loan to subsidiary undertaking	0	0	200 000	550 000
Loan to British Horse Trials Association	104 375	125 250	104 375	125 250
Other debtors	8 447	4 064	8 447	4 064
	<u>135 322</u>	<u>157 314</u>	<u>335 322</u>	<u>707 314</u>
	<u>524 935</u>	<u>834 473</u>	<u>656 208</u>	<u>1 409 055</u>

The loan to subsidiary undertaking is secured by a debenture in favour of the Society and interest is charged at 2% over the base rate quoted by the Society's bankers.

The loan to B H T A is secured by a debenture in favour of the Society and interest is charged at 2% over the base rate quoted by the Society's bankers.

13 Investments

Group and The Society

Analysis of unlisted investments at cost

Royal Bank of Scotland - customer bid deposit account	618 515	577 881
Abbey National building society - time deposit	0	507 391
Bank of Scotland - premier investment account	0	140 302
	<u>618 515</u>	<u>1 225 574</u>

Analysis of listed investments at market value

7.75% Treasury Stock 2006	0	12 249
6% Treasury Stock 1999	11 299	11 125
8% Treasury Stock 2002/06	11 316	10 731
Index linked Treasury Stock 2013	13 549	11 439
6.75% Treasury Stock 2004	11 843	10 762
Scottish East Investment Trust 25p ordinary shares	0	4 230
Monks Investment Trust 25p ordinary shares	6 284	0
3.5% war stock	3 000	2 180
M & G charifund income units	38 496	35 561
	<u>95 787</u>	<u>98 277</u>
	<u>714 302</u>	<u>1 323 851</u>

Listed investments at cost

57 149	66 403
--------	--------

14 Creditors due within one year

	Group		The Society	
	1998	1997	1998	1997
	£	£	£	£
Trade creditors	249 426	348 559	195 665	250 035
PAYE and NI payable	36 699	53 422	36 699	53 422
Current account with subsidiary undertaking	0	0	35 435	0
Other creditors	29 239	1 833	8 579	1 756
Accruals	302 739	310 543	298 084	282 694
Income received in advance	873 839	833 733	872 954	833 321
	<u>1 491 942</u>	<u>1 548 090</u>	<u>1 447 416</u>	<u>1 421 228</u>

Notes continued

for the year ended 31st December 1998

15 Share capital

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

16 Restricted funds**Group and The Society****Summary of restricted funds**

	1998 £	1997 £
At 31st December 1997	568 613	685 053
Amount received in the year	223 003	184 581
Transferred (to) from other charitable funds - note 18	(7 389)	(28 442)
Transferred (to) from designated funds - note 17	62 463	(160 231)
Amount disbursed in the year	(174 071)	(112 348)
At 31st December 1998	<u>672 619</u>	<u>568 613</u>

Years of the horse development fund

At 31st December 1997	338 430	321 560
Amount received in the year	127 760	19 958
Transferred (to) from other charitable funds - note 18	0	0
Amount disbursed in the year	(9 368)	(3 088)
At 31st December 1998	<u>456 822</u>	<u>338 430</u>

Action for horses

At 31st December 1997	0	3 185
Amount received in the year	0	5 138
Transferred (to) from other charitable funds - note 18	0	(8 323)
Amount disbursed in the year	0	0
At 31st December 1998	<u>0</u>	<u>0</u>

Event organisers' loan funds

At 31st December 1997	62 165	59 052
Amount received in the year	2 475	3 113
Amount disbursed in the year	0	0
At 31st December 1998	<u>64 640</u>	<u>62 165</u>

Fixed asset grants

At 31st December 1997	21 060	10 414
Amount received in the year	0	16 305
Transferred (to) from other charitable funds - note 18	(7 226)	(5 659)
At 31st December 1998	<u>13 834</u>	<u>21 060</u>

The Bodynfoel fund

At 31st December 1997	2 903	3 216
Amount received in the year	739	537
Transferred (to) from other charitable funds - note 18	0	0
Amount disbursed in the year	(192)	(850)
At 31st December 1998	<u>3 450</u>	<u>2 903</u>

The Fenwick watch fund

At 31st December 1997	859	812
Amount received in the year	30	47
Amount disbursed in the year	(765)	0
At 31st December 1998	<u>124</u>	<u>859</u>

Welfare supporters fund

At 31st December 1997	12 771	14 880
Amount received in the year	917	1 631
Transferred to rescue and rehabilitation scheme	(13 688)	0
Transferred (to) from other charitable funds - note 18	0	0
Amount disbursed in the year	0	(3 740)
At 31st December 1998	<u>0</u>	<u>12 771</u>

Notes continued

16 Restricted funds (continued)

for the year ended 31st December 1998

The Lady Joicey dressage trainers scheme fund

	1998 £	1997 £
At 31st December 1997	0	1 122
Amount received in the year	0	2 111
Transferred (to) from other charitable funds - note 18	0	(240)
Amount disbursed in the year	0	(2 993)
At 31st December 1998	0	0

The Saddlers' training fund

At 31st December 1997	22 668	26 099
Amount received in the year	22 005	21 956
Transferred (to) from other charitable funds - note 18	(1 500)	(14 453)
Amount disbursed in the year	(11 977)	(10 934)
At 31st December 1998	31 196	22 668

The transfers (to) other charitable funds reimburse expenditure on behalf of the Saddlers' training fund.

The Horse and Hound training fund

At 31st December 1997	6 917	6 539
Amount received in the year	376	378
Transferred (to) from other charitable funds - note 18	0	0
Amount disbursed in the year	(2 000)	0
At 31st December 1998	5 293	6 917

The Range Rover bursary fund

At 31st December 1997	2 116	2 000
Amount received in the year	0	116
Amount disbursed in the year	(2 116)	0
At 31st December 1998	0	2 116

Abandonment fund

At 31st December 1997	0	151 473
Amount received in the year	0	8 758
Transferred (to) from other charitable funds - note 18	0	0
Transferred (to) from designated funds - note 17	0	(160 231)
Amount disbursed in the year	0	0
At 31st December 1998	0	0

W W Thomson bursary fund

At 31st December 1997	22 979	18 557
Amount received in the year	3 578	4 577
Amount disbursed in the year	(697)	(155)
At 31st December 1998	25 860	22 979

Inchcape dressage team training fund

At 31st December 1997	64 274	63 322
Amount received in the year	8 407	6 355
Amount disbursed in the year	(19 906)	(5 403)
At 31st December 1998	52 775	64 274

The dressage young trainers scheme

At 31st December 1997	0	411
Amount received in the year	0	0
Transferred (to) from other charitable funds - note 18	0	220
Amount disbursed in the year	0	(631)
At 31st December 1998	0	0

The rescue and rehabilitation scheme

At 31st December 1997	9 022	0
Amount received in the year	56 554	93 463
Transferred (to) from other charitable funds - note 18	1 337	13
Transferred from welfare supporters' fund	13 688	0
Transferred (to) from designated funds - note 17	62 463	0
Amount disbursed in the year	(126 950)	(84 454)
At 31st December 1998	16 114	9 022

16 Restricted funds (continued)

The John Yeats bursary fund

At 31st December 1997	
Amount received in the year	
Amount disbursed in the year	
At 31st December 1998	

1998	1997
£	£
2 449	2 411
162	138
(100)	(100)
<u>2 511</u>	<u>2 449</u>

17 Designated funds

Group and The Society

At 31st December 1997	
Amount received in the year	
Transferred (to) from restricted funds - note 16	
Transferred (to) from other charitable funds - note 18	
Amount disbursed in the year	
At 31st December 1998	

259 969	231 465
19 013	11 173
(62 463)	160 231
0	(600)
(16 721)	(142 300)
<u>199 798</u>	<u>259 969</u>

Pony Club project fund

At 31st December 1997	
Amount received in the year	
Transferred (to) from other charitable funds - note 18	
Amount disbursed in the year	
At 31st December 1998	

	113 741
	0
	0
	(113 741)
<u>0</u>	<u>0</u>

BHS training fund

At 31st December 1997	
Amount received in the year	
Transferred (to) from restricted funds - note 16	
Amount disbursed in the year	
At 31st December 1998	

160 231	0
10 371	0
	160 231
(10 000)	0
<u>160 602</u>	<u>160 231</u>

Road safety fund

At 31st December 1997	
Amount received in the year	
Transferred (to) from other charitable funds - note 18	
Amount disbursed in the year	
At 31st December 1998	

33 512	45 913
2 317	1 998
0	0
(154)	(14 399)
<u>35 675</u>	<u>33 512</u>

Bridleways fund

At 31st December 1997	
Amount received in the year	
Transferred (to) from other charitable funds - note 18	
Amount disbursed in the year	
At 31st December 1998	

3 058	7 953
463	605
0	0
0	(5 500)
<u>3 521</u>	<u>3 058</u>

Welfare fund

At 31st December 1997	
Amount received in the year	
Transferred (to) from other charitable funds - note 18	
Transferred (to) from restricted funds - note 16	
Amount disbursed in the year	
At 31st December 1998	

63 168	63 858
5 862	8 570
	(600)
(62 463)	
(6 567)	(8 660)
<u>0</u>	<u>63 168</u>

18 Other charitable funds

Group

At 31st December 1997

(Deficit) surplus for the year

Transferred (to) from restricted funds - note 16

Transferred (to) from designated funds - note 17

At 31st December 1998

1998
£

1997
£

2 170 318

2 849 912

(1 247 857) (708 636)

922 461 2 141 276

7 389 28 442

0 600

929 850 2 170 318

The Society

At 31st December 1997

(Deficit) surplus for the year

Transferred (to) from restricted funds - note 16

Transferred (to) from designated funds - note 17

At 31st December 1998

2 173 068

2 852 662

(1 264 603) (708 636)

908 465 2 144 026

7 389 28 442

0 600

915 854 2 173 068

19 Analysis of group net assets between funds

Unrestricted funds
£

Restricted funds
£

Total funds
£

Fund balances at 31st December 1998 are represented by :

Tangible fixed assets

Investments

Current assets

Current liabilities

1 238 860

20 914

1 259 774

660 010

54 292

714 302

721 231

598 902

1 320 133

(1 490 453) (1 489) (1 491 942)

Total net assets

1 129 648

672 619

1 802 267

Unrealised gains included above

On investment assets (see below)

10 510

8 729

19 239

Reconciliation of movements in unrealised gains on investment assets

Unrealised gains at 31st December 1997

Add net gains on revaluations in the year

Unrealised gains at 31st December 1998

11 434

5 719

17 153

(924) 3 010 2 086

10 510

8 729

19 239

20 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases

will result in the following payments falling due in the year

to 31st December 1999

expiring after five years

1998

1997

£

£

65 585

44 414

The leases on land at Stoneleigh expire in December 2017 and are subject to 5 yearly rent reviews, with the next review due on 1st January 2004.

The lease at Tweseldown expires on 27th February 2002 and is subject to 5 yearly rent reviews, with the next review on 1st March 2001.

21 Post balance sheet event

In January 1999, the balance of the Winifred Sutton legacy was received. In accordance with The Society's accounting policy, no provision has been made in these accounts in respect of the amounts due.

THE BRITISH HORSE SOCIETY BOARD OF TRUSTEES

The following persons were members of the Board at 31st December 1998. Unless otherwise indicated they held office throughout the year.

President: Her Royal Highness The Princess Royal (from AGM on 17th June)

Chairman: Mr Michael Clayton

Vice Chairman: Dr Sheila Bell FFARCS

Treasurer: Mrs Helen Phillips FCA (co-opted) (from 1st June)
Mr David Briggs (co-opted) (from 1st June)
Mrs Catriona Cook
Mr Peter Cook BHSI
Mr Harry Greenway
Mr Peter Houghton-Brown
Mrs June Self
Miss Marie Stokes FBHS

The following persons ceased to be members of the Board during 1998

The Rt Hon the Lord Vestey, President (AGM on 17th June)

Mr John Holt (co-opted) (25th March)
Mr Mark Chamberlayne (28th June)
Mrs Jane Goldsmith FBHS (10th August)
Mrs Mary Tapping (24th September)
Mr Christopher Waterhouse (21st August)

No changes of members of the Board occurred between 1st January 1999 and 31st March 1999