

**THE BRITISH HORSE SOCIETY****Abbey Park, Stareton, Kenilworth , Warwickshire CV8 2XZ****Incorporated on 5th November 1947****Registered Number 444742****Charity numbers 210504 & SC038516****CONSOLIDATED ANNUAL REPORT 2011****INDEX****A - GOVERNANCE****B - OBJECTIVES AND ACTIVITIES****B2 - ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE****B3 - ORGANISATION AND STAFFING****C - PUBLIC BENEFIT STATEMENT****D - RISKS****E - OTHER CHARITIES****F - FINANCIAL REVIEW****G - FINANCIAL POLICIES**

Statement of the Board's responsibilities	1
Auditors' report	2
Statement of accounting policies	3 to 4
Group statement of financial activities for the year ended 31 December 2011	5
Group cash flow statement for the year ended 31 December 2011	6
Balance sheets at 31 December 2011	7
Notes to the accounts	8 to 15

TUESDAY



\*R1AX43HK\*

RM

12/06/2012

#174

COMPANIES HOUSE

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of The British Horse Society for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these accounts, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the trustees are aware

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

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

For and on behalf of the Board

  
Chairman

20 March 2012

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE BRITISH HORSE SOCIETY**

We have audited the accounts of The British Horse Society for the year ended 31 December 2011 which comprise the Accounting Policies, the Group Statement of Financial Activities, the Group Cash Flow Statement, the Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the company's members and the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, the company's members as a body and its trustees as a body for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Trustees' Responsibilities Statement set out above, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

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

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

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the accounts.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited accounts. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on accounts**

In our opinion the accounts

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2011 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion

- the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company's accounts are not in agreement with the accounting records or returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Robert Kirtland, Senior Statutory Auditor

For and on behalf of Crntchleys LLP, Statutory Auditor

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

Date 26/3/2012

## THE BRITISH HORSE SOCIETY

### Accounting policies

#### 1 Basis of accounting

The accounts have been prepared in accordance with the statement of recommended practice "Accounting and Reporting by Charities" issued in 2005 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 408 of the Companies Act 2006.

The income and expenditure of the trading subsidiary are shown gross in the statement of financial activities.

#### 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.

Income received for training courses, examinations and events is included in the statement of financial activities on the date on which the course, examination or event occurs. Income received in advance is included within creditors.

Gift Aid income resulting from membership is accounted for on a receivable basis.

Other income, including affiliation fees, is recognised when it is received.

#### 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 in which the amount can be assessed with reasonable certainty. 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 costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition. 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%
database	33 33%

Grants received, in respect of fixed assets, are credited to a deferred income account, which is released to income and expenditure account 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.

## **10 Investments**

Current asset investments include short term deposits held at UK Banks. Listed investments are included at market value.

## **11 Funds**

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

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the accounts.

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

## **12 Resources Expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Where costs cannot be directly attributed to a particular heading they have been allocated to activities on the basis consistent with the use of the resources. All support costs have been allocated on the basis of number of employees.

Fundraising costs are those incurred in seeking voluntary contributions.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Governance costs consist of audit fees and the direct costs of the Board of Trustee Meetings.

**THE BRITISH HORSE SOCIETY**

**Group statement of financial activities**

**for the year ended 31 December 2011**

	Note	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2 010 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	1	303 906	98 826	402 732	280 404
Activities for generating funds					
Trading Income		273 887		273 887	319 428
Advertising and inserts in magazines		350 796		350 796	370 904
Challenge Rides			90 097	90 097	67 457
Commissions Received		36 305		36 305	34 401
Other income	2	98 967	769	99 736	191 374
Investment income	3	184 574		184 574	170 751
<b>Incoming resources from charitable activities</b>					
Members Subscriptions	4	4 001 396		4 001 396	3 870 152
Examinations and Other fees		2 358 157		2 358 157	2 344 360
Events		591 877		591 877	371 434
<b>Total incoming resources</b>		<b>8 199 865</b>	<b>189 692</b>	<b>8 389 557</b>	<b>8 020 665</b>
<b>Resources expended</b>					
Cost of Generating Funds	6	524 232	90 097	614 329	604 474
Charitable Activities	6	7 035 798	115 050	7 150 848	6 679 544
Governance Costs	6	32 307	0	32 307	29 173
<b>Total resources expended</b>	6	<b>7 592 337</b>	<b>205 147</b>	<b>7 797 484</b>	<b>7 313 191</b>
<b>Net incoming (outgoing) resources before transfers</b>		<b>607 528</b>	<b>( 15 455)</b>	<b>592 073</b>	<b>707 474</b>
Transfers between funds		0	0	0	0
<b>Net incoming resources (resources expended)</b>		<b>607 528</b>	<b>( 15 455)</b>	<b>592 073</b>	<b>707 474</b>
Net gains (losses) on investment assets		( 1 346)	0	( 1 346)	2 939
<b>Net movement in funds</b>		<b>606 182</b>	<b>( 15 455)</b>	<b>590 727</b>	<b>710 413</b>
<b>Fund balances brought forward at 31 December 2010</b>		<b>8 599 506</b>	<b>344 469</b>	<b>8 943 975</b>	<b>8 233 562</b>
<b>Fund balances carried forward at 31 December 2011</b>		<b>9 205 688</b>	<b>329 014</b>	<b>9 534 702</b>	<b>8 943 975</b>

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  
All activities are continuing

# THE BRITISH HORSE SOCIETY

Group cash flow statement	for the year ended 31 December 2011	
	2011	2010
	£	£
Net cash inflow from operating activities	1 591 961	660 426
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	( 238 983)	(3 971 573)
Management of liquid resources		
Investment in short term deposits	( 796 327)	3 858 087
	<u>556 651</u>	<u>546 940</u>
Notes to the group cash flow statement		

## Reconciliation of net incoming resources to net cash inflow from operating activities

Net Incoming resources	592 073	707 474
Depreciation	381 466	171 801
Loss (Profit) on Sale of Assets	0	2 007
Decrease (Increase) in stocks	13 509	( 22 065)
Decrease (Increase) in debtors	413 256	( 217 995)
Increase (Decrease) in creditors	191 657	19 204
Net cash inflow from operating activities	<u>1 591 961</u>	<u>660 426</u>

## Analysis of changes in net funds

	2010	Cash flows	Other changes	31 Dec 11
	£	£	£	£
Cash at bank	1 110 729	556 651		1 667 380
Current asset investments	44 263	( 1 346)		42 917
Short term deposits	4 021 677	796 327		4 818 004
	<u>5 176 669</u>	<u>1 351 632</u>	<u>0</u>	<u>6 528 301</u>

## Reconciliation of net cash flow to movement in net funds

	2011
	£
Increase (Decrease) in cash for the year	556 651
Net inflow (outflow) from liquid resources	796 327
Realised gains on revaluations in the year	0
Release of Unrealised gains on sale	0
Unrealised gains (losses) on revaluations in the year	0
Net inflow (outflow) from Investment shares	( 1 346)
Change in net debt	1 351 632
Net funds at 31 December 2010	5 176 669
Net funds at 31 December 2011	<u>6 528 301</u>

**THE BRITISH HORSE SOCIETY**

**Balance sheet**

**Group and The Society**

**at 31 December 2011**

		Group		The Society	
	Note	2011 £	2010 £	2011 £	2010 £
<b>Fixed assets</b>					
Tangible assets	8	4 505 122	4 647 605	4 505 122	4 647 605
Investments	9	0	0	5 000	5 000
		<u>4 505 122</u>	<u>4 647 605</u>	<u>4 510 122</u>	<u>4 652 605</u>
<b>Current assets</b>					
Stocks		154 886	168 395	0	0
Debtors	10	936 246	1 349 502	1 028 299	1 446 076
Term Deposits & Investments	11	4 860 921	4 065 940	4 860 921	4 065 940
Cash at bank and in hand		1 667 380	1 110 729	1 636 683	1 089 027
		<u>7 619 433</u>	<u>6 694 566</u>	<u>7 525 903</u>	<u>6 601 043</u>
<b>Current liabilities</b>					
Creditors due within one year	12	2 589 853	2 398 196	2 515 989	2 324 339
		<u>5 029 580</u>	<u>4 296 370</u>	<u>5 009 914</u>	<u>4 276 704</u>
<b>Net current assets</b>					
		<u>9 534 702</u>	<u>8 943 975</u>	<u>9 520 036</u>	<u>8 929 309</u>
<b>Net assets</b>					
		<u>9 534 702</u>	<u>8 943 975</u>	<u>9 520 036</u>	<u>8 929 309</u>
<b>Income funds</b>					
Restricted funds	15	329 014	344,469	329 014	344 469
Unrestricted funds					
Designated funds	16	4 017 914	4 289 484	4 017 914	4 289 484
Other charitable funds	17	5 173 108	4 295 356	5 173 108	4 295 356
Non-charitable trading funds	17	14 666	14 666	0	0
<b>Total reserves</b>		<u>9 534 702</u>	<u>8 943 975</u>	<u>9 520 036</u>	<u>8 929 309</u>

The accounts were approved and authorised for issue by the Board on 20 March 2012 and signed on its behalf by

Mrs C Blackford

Chairman

Treasurer

*Lynn Peterson*  
*C Blackford*



**THE BRITISH HORSE SOCIETY**

**NOTES ON THE ACCOUNTS**

**for the year ended 31 December 2011**

	2011 £	2010 £
<b>1 Voluntary Income</b>		
Donations receivable include the following		
Mr R P Sayers Deceased	0	44 720
Ms A G White Deceased	0	35 437
Miss R M Barker Deceased	0	12 639
Mr W D Lyons Deceased	10 000	0
Mrs G I Scolding	98 894	0
Ms F Lynch	10 927	0
Ms P I Hodgson	131 307	0
Ms C E Wood	22 000	0
Mr E England Kerr Deceased	11 121	0
Grants receivable include the following		
Sport England	17 100	27 874
Sports Councils for Northern Ireland	39 167	48 273
Responsible Breeding	0	15 000
RDPE Eden Valley Loops	0	11 100
Learning with Horses Funding	0	20 030
<b>2 Other Income</b>		
Raffle Income	35 371	32 851
Prior year VAT rebate	6 078	76 724
Pension fund closure rebate	0	25 017
Other income includes consultancy and miscellaneous items	58 287	56 782
	<u>99 736</u>	<u>191 374</u>
<b>3 Investment Income</b>		
Income from listed investments	2 752	4 134
Income from investment property	112 203	122 931
Interest receivable	69 619	43 686
	<u>184 574</u>	<u>170 751</u>
<b>4 Members subscriptions</b>		
During the year to 31 December 2011, members subscriptions were £3,665,229		
Gift Aid of £336,167 was claimed, of which £90,211 related to prior years		
<b>5 Subsidiary company</b>		
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		
The trading results of the Subsidiary are included within the consolidated accounts		
Audited accounts have been filed with the Registrar of Companies		
A summary of the results of the subsidiary is shown below		
<b>The British Horse Society (Trading Company) Limited</b>	<b>Total 2011</b>	<b>Total 2010</b>
Turnover	698 761	757 793
Cost of Sales	<u>676 187</u>	<u>722 904</u>
Gross Profit	22 574	34 889
Gift Aid Donation to Chanty	22 574	34 889
Net profit	<u>0</u>	<u>0</u>
The aggregate of the assets, liabilities and funds was		
Assets	342 503	392 653
Liabilities	( 322 837)	( 372 987)
Funds	<u>19 666</u>	<u>19 666</u>

THE BRITISH HORSE SOCIETY

Notes continued

for the year ended 31 December 2011

6 Analysis of total resources expended

	Activities undertaken directly	Support Costs	Total 2011	Activities undertaken directly	Support Costs	Total 2010
			£			£
<b>Cost of Generating Funds</b>						
Fundraising trading costs of goods sold and other costs	459 734	154 595	614 329	489 659	114 815	604 474
<b>Charitable Activities</b>						
Membership Services	2 616 008	817 158	3 433 166	2 576 365	791 916	3 368 281
Training, examinations and approvals	1 549 442	567 914	2 117 356	1 481 912	500 462	1 982 374
Safety, access and welfare	505 232	350 210	855 442	500 822	326 775	827 597
Events	647 078	97 806	744 884	380 590	120 702	501 292
	<u>5 317 760</u>	<u>1 833 088</u>	<u>7 150 848</u>	<u>4 939 689</u>	<u>1 739 855</u>	<u>6 679 544</u>
Governance Costs	32 307	0	32 307	29 173	0	29 173
<b>Total resources expended</b>	<u>5 809 801</u>	<u>1 987 683</u>	<u>7 797 484</u>	<u>5 458 521</u>	<u>1 854 670</u>	<u>7 313 191</u>

Support Cost Breakdown by Activity

Support Cost	Fundraising trading £	Membership Services £	Training, exams and approvals £	Safety, access and welfare £	Events £	Basis of Allocation
Management	26 683	141 042	98 026	60 447	16 881	No of Employees
Media and Public Liaison Office	14 798	78 219	54 361	33 523	9 363	No of Employees
Finance	43 726	231 129	160 630	99 055	27 664	No of Employees
Personnel	11 008	58 187	40 439	24 937	6 964	No of Employees
Computer Services	29 936	158 232	109 969	67 813	18 939	No of Employees
Facilities	28 444	150 349	104 489	64 435	17 995	No of Employees
<b>Total</b>	<u>154 595</u>	<u>817 158</u>	<u>567 914</u>	<u>350 210</u>	<u>97 806</u>	

Governance costs includes

	2011	2010
Auditors' remuneration	£	£
for audit work	13 230	11 750
for non-audit work	1 204	0

Within Resources Expended are operating lease rentals

for land and buildings	46 492	89 433
for plant and machinery	7 265	6 031

# THE BRITISH HORSE SOCIETY

Notes continued

for the year ended 31 December 2011

## 7 Trustees and employees

### Trustees

No remuneration is paid to any trustee by virtue of his or her position on the board with the exception of the chairman. The Society has paid the chairman remuneration as approved by the Chantry Commission and resolution of Trustees dated 22 June 2006

2011	2010
£	£

The Trustees who held office throughout the year are shown in the published accounts

The cost of travel and subsistence to 16 trustees during the year amounted to	20 916	22 116
Chairman's remuneration		
Dr P Wadey	7 183	3 794
Mr P Print OBE FBHS	0	3 283

Trustees were paid fees for examinations and other services carried out as follows

2011	2010	
£	£	
Mrs C Broad FBHS	5 189	2 929
Mr D Kear BHSI	1 727	1 620
Miss M Tiffany BHSI	1 638	6 166
Mr P Print OBE FBHS	0	4 042
Mrs C Aldridge	0	50
Mr D Kerry	0	50
	<u>8 554</u>	<u>14 857</u>

Payment for examinations are specifically permitted by the Chantry's Memorandum & Articles of Association. Following liaison with the Chantry Commission, the Governing Documents are to be amended to specifically allow payments to Trustees for other services unrelated to their duties as Trustees

### Staff costs

Wages and salaries	2 213 341	2 204 812
Social security costs	215 306	210 376
Pension Costs	142 671	138 168
Life assurance costs	7 906	17 672
Other costs and employee benefits	79 653	63 369
	<u>2 658 877</u>	<u>2 634 397</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

Other costs and employee benefits include medical benefits and engagement expenses

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year were as follows

	Number	Number
£100,001 - £110,000	1	1
£70,001 - £80,000	1	1
£60,001 - £70,000	<u>1</u>	<u>1</u>

The items used to determine the above values are

gross salary, employer's contribution for life cover and the taxable value of benefits in kind. An amount of £22,482, (2010 £21,782) was contributed to a defined contribution pension scheme for the three employees whose emoluments exceeded £60,000

The average number of employees calculated on a full-time equivalent basis, analysed by function was

Charitable activities	77	77
Cost of generating funds	<u>7</u>	<u>7</u>
	<u>84</u>	<u>84</u>

# THE BRITISH HORSE SOCIETY

Notes continued

for the year ended 31 December 2011

## 8 Tangible fixed assets Group and The Society

	Database £	Freehold property £	Plant & Machinery £	Fixtures fittings & equipment £	Total £
<b>Cost</b>					
At 31 December 2010	321 746	4 119 103	6 198	940 511	5 387 558
Additions	90 067	6 099	0	142 817	238 983
Disposals	0	0	0	0	0
At 31 December 2011	411 813	4 125 202	6 198	1 083 328	5 626 541
<b>Depreciation</b>					
At 31 December 2010	273 497	25 461	5 167	435 828	739 953
Charge for the year	39 719	153 008	1 031	187 708	381 466
Disposals	0	0	0	0	0
At 31 December 2011	313 216	178 469	6 198	623 536	1 121 419
<b>Net book value</b>					
At 31 December 2011	98 597	3 946 733	0	459 792	4 505 122
At 31 December 2010	48 249	4 093 642	1 031	504 683	4 647 605

The cost as shown above represents the full cost to the Society before deducting grants and contributions received, of which there were none in the year to 31 December 2010 and 31 December 2011

All fixed assets owned by the Society, are used for direct charitable purposes

Included in Freehold property is £300,000 of land which is not depreciated

The Society also owns Royal International Horse Show trophies, the values of which are not included in the fixed asset values above

## 9 Fixed asset investments The Society

Shares in subsidiary undertaking  
At 31 December

2011 £	2010 £
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

## Group and The Society Leasehold property

### Cost

As at 31 December 2010 and 31 December 2011

94 081	94 081
--------	--------

### Depreciation

As at 31 December 2010 and 31 December 2011

94 081	94 081
--------	--------

### Net book value

As at 31 December 2010 and 31 December 2011

0	0
---	---

By 30 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

The Trustees consider that due to the nature of the lease, there is no open market value

## 10 Debtors : amounts falling due within one year

	Group		The Society	
	2011 £	2010 £	2011 £	2010 £
Trade debtors	236 199	294 210	79 279	91 654
Loans to event organisers	34 000	29 000	34 000	29 000
Current account with subsidiary undertaking	0	0	248 973	299 130
Other Debtors	190 153	597 978	190 153	597 978
Prepayments	475 894	428 314	475 894	428 314
	936 246	1 349 502	1 028 299	1 446 076

# THE BRITISH HORSE SOCIETY

Notes continued

for the year ended 31 December 2011

## 11 Term Deposits & Investments

	2011	2010
<b>Group and The Society</b>		
Term Deposits at cost		
Santander -Fixed term deposit account	1 075 533	1 050 130
Royal Bank of Scotland - customer bid deposit account	52 164	51 873
Co-Operative bank - Fixed term deposit account	1 508 232	0
Bank of Scotland - Fixed term deposit account	1 760 875	1 003 778
CCLA Chanty deposit fund	421 200	1 915 896
	<u>4 818 004</u>	<u>4 021 677</u>
Analysis of listed investments at market value		
3 5% war stock	4 052	3 235
M & G charfund income units	38 865	41 028
	<u>42 917</u>	<u>44 263</u>
	<u>4 860 921</u>	<u>4 065 940</u>
Listed investments at cost	<u>49 900</u>	<u>49 900</u>

## 12 Creditors due within one year

	Group		The Society	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	419 470	264 546	413 864	245 089
PAYE, NI and VAT payable	33 073	24 152	301	874
Other creditors	105 951	179 411	105 863	179 331
Accruals	109 034	138 108	105 589	135 300
Subscriptions received in advance	1 669 529	1 565 890	1 669 529	1 565 890
Other income received in advance	252 796	226 089	220 843	197 855
	<u>2 589 853</u>	<u>2 398 196</u>	<u>2 515 989</u>	<u>2 324 339</u>

## 13 Deferred Income

	Group	The Society
Balance at 1 January 2011	1 791 979	1 763 745
Amount released to incoming resources	(1 791 979)	(1 763 745)
Amount deferred in the year	1 922 325	1 890 372
Balance at 31 December 2011	<u>1 922 325</u>	<u>1 890 372</u>

Deferred income comprises subscriptions and fees received in advance

## 14 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

# THE BRITISH HORSE SOCIETY

Notes continued

for the year ended 31 December 2011

## 15 Restricted funds Group and The Society

	At 1 January 2011 £	Income £	Expenditure £	At 31 December 2011 £
Year of the Horse Development fund	47 200	0	( 19 850)	27 350
Event Organisers' loan funds	70 872	0	0	70 872
The Bodynfoel fund	10 815	500	0	11 315
The Saddlers' Training fund	24 971	22 055	( 19 155)	27 871
The Horse and Hound Training fund	5 293	0	0	5 293
W W Thomson Bursary fund	28 283	1 236	( 3 900)	25 619
The John Yates Bursary fund	1 743	0	( 300)	1 443
Irene Heppell York fund	25 706	435	( 705)	25 436
Heather Lucas Memorial Bursary	300	0	0	300
Access Ride leaflets	6 533	76	0	6 609
Grants including Sports Council	45 590	47 262	( 66 992)	25 860
Challenge Rides Welfare fund	0	90 097	( 90 097)	0
Mrs K Edgar Fund	13 749	0	( 1 964)	11 785
Caroline Pratt Memorial Fund	153	0	0	153
Access Fighting Fund	30 425	2 837	0	33 262
Welfare and Horse Rescue	5 000	0	0	5 000
Donations from Trusts	27 836	10 288	( 2 184)	35 940
Saddle Up Cheshire	0	14 906	0	14 906
<b>Total Restricted funds</b>	<b>344 469</b>	<b>189 692</b>	<b>( 205 147)</b>	<b>329 014</b>

The Development fund was accumulated to encourage the use of the horse, to raise standards of riding and of horsemanship and, above all, to make certain that horses and ponies used and owned are not abused

The Event Organisers' fund is used specifically to provide loans to organisers of Horse Trials Events

The Saddlers Training fund holds the annual grant presented by the Worshipful Company of Saddlers for specific training activities held by The British Horse Society and other riding disciplines

The Horse and Hound Training fund is to aid specific training activities

The W W Thomson Bursary fund has been provided to assist with the training of potential designers and course builders, and in particular for the advancement of education and safety

The Irene Heppell York fund was provided for the welfare of aged horses in the York area

The Heather Lucas Memorial Bursary was provided to assist young riders in training and orienteering skills

The Access Rides leaflets fund (previously the Sabrina Way and Three Rivers Ride fund) was set up from the grants and donations given to assist with the production of trail guide leaflets for riders

The Challenge Rides Welfare fund was created by the challengers of the Jordan, Bulgaria and Mongolia Rides for welfare assistance & training

The Mrs K Edgar Fund was donated for the provision of horse rescue purposes

The Caroline Pratt Memorial Fund was provided to support the training and development of up and coming Cheshire event riders

The Access Fighting Fund was set up to engage in legal proceedings on behalf of all equestrians

The Welfare and Horse Rescue fund was set up to support the work of the Welfare department

The Saddle up Cheshire fund promotes riding for disadvantaged children in Cheshire

**THE BRITISH HORSE SOCIETY**

Notes continued

for the year ended 31 December 2011

**16 Designated funds  
Group and The Society**

	At 1 January 2011 £	Transfers £	Income £	Expenditure £	At 31 December 2011 £
Road Safety fund	14 859	0	0	( 691)	14 168
Bridleways fund	6 848	0	0	0	6 848
Access Legal fund	13 157	0	0	0	13 157
Miss P C M Barnes fund	38 807	0	0	( 2 805)	36 002
Blackdown Hills Project	1 006	0	0	0	1 006
The British Riding Clubs fund	121 165	0	0	( 121 165)	0
Capital Reserve	4 093 642	( 146 909)	0	0	3 946 733
<b>Total Designated funds</b>	<b>4 289 484</b>	<b>( 146 909)</b>	<b>0</b>	<b>( 124 661)</b>	<b>4 017 914</b>

The Road safety fund is a fund to assist in areas of research of safety for the ridden or driven horse

The Miss P C M Barnes fund has been designated by the Trustees for various specific projects

The Blackdown Hills Fund was set up from the grants provided to assist horse related businesses

The British Riding Clubs Fund has been set aside to recognise the reserves accumulated by the department, but remains a charitable fund of The British Horse Society. They have been accumulated for strategic purposes, to ensure that services are maintained to clubs during exceptional circumstances. These would include cover against late cancellation of major events, and to finance special projects including international representation, provision of additional facilities for the horse trial championships and specialised training for officials.

During 2007, £100,000 was committed for Rural Riders and grass roots training over the following 5 years. The balance of this commitment was expended in 2011.

The Capital Reserve represents an amount equal to the Net Book Value of the Freehold Property

	2011 £	2010 £
<b>17 Other charitable funds Group and The Society</b>		
At 31 December 2010	4 295 356	7 605 509
Surplus for the year	730 843	783 489
	<u>5 026 199</u>	<u>8 388 998</u>
Transferred from restricted funds - note 15	0	0
Transferred from (to) designated funds - note 16	146 909	(4 093 642)
At 31 December 2011	<u>5 173 108</u>	<u>4 295 356</u>
<b>Non-charitable trading funds Group</b>		
At 31 December 2010	14 666	14 666
Surplus for the year	0	0
At 31 December 2011	<u>14 666</u>	<u>14 666</u>

**THE BRITISH HORSE SOCIETY**

Notes continued

for the year ended 31 December 2011

**18 Analysis of group net assets between funds**

**Fund balances at 31 December 2011 are represented by**

Tangible fixed assets  
Investments  
Other Current assets  
Creditors

Unrestricted funds £	Restricted funds £	Total funds £
4 505 122	0	4 505 122
4 531 907	329 014	4 860 921
2 758 512	0	2 758 512
(2 589 853)	0	(2 589 853)

**Total net assets**

9 205 688	329 014	9 534 702
-----------	---------	-----------

**Unrealised gains (losses) included above**

On investment assets (see below)

( 6 983)	0	( 6 983)
----------	---	----------

**Reconciliation of movements in unrealised gains (losses) on investment assets**

Unrealised gains (losses) at 31 December 2010  
Release of Unrealised Gains in year  
Add net loss on revaluations in the year

( 5 637)	0	( 5 637)
0	0	0
( 1 346)	0	( 1 346)

Unrealised gains (losses) at 31 December 2011

( 6 983)	0	( 6 983)
----------	---	----------

**19 Guarantees and other financial commitments**

Financial commitments under non-cancellable operating leases  
will result in the following payments falling due in the year  
to 31 December 2012

expiring within one year

for land and buildings  
for plant and machinery

2011 £	2010 £
10 936	2 648
0	2 567
10 936	5 215

expiring within two to five years

for land and buildings  
for plant and machinery

0	8 950
8 083	2 232
8 083	11 182

expiring after five years

for land and buildings  
for plant and machinery

37 542	39 321
0	0
37 542	39 321

The leases on land at Stoneleigh expire in December 2017 and are subject to 5 yearly rent reviews, with the next review due on 1 January 2014. Some of these leases were surrendered during 1999.