



**THE BRITISH HORSE SOCIETY**

Company Registration Number 00444742

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

THURSDAY



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COMPANIES HOUSE

**THE BRITISH HORSE SOCIETY**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
for the year ended 31 December 2017

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**THE BRITISH HORSE SOCIETY**  
**DIRECTORS AND OFFICERS**

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**PATRON:**

Her Majesty the Queen

**TRUSTEES:**

David Sheerin (Chairman)  
Lotta von der Hyde  
Kirsty Handel  
Diane Tranter  
Loraine Young  
Martin Clemmey (appointed March 2017)  
Jane Domhill (appointed July 2017)  
Ken Law (appointed July 2017)  
Sam York (appointed July 2017)  
Desi Dillingham (resigned March 2017)  
Christine Blackford (resigned July 2017)  
Fred Hodges (resigned July 2017)

**SENIOR MANAGEMENT TEAM:**

Chief Executive  
Chief Operating Officer  
Director, Finance  
Director, Membership  
Director, Education  
Director, Human Resources  
Director, Welfare  
Director, Safety  
Director, Access  
Director, Fundraising  
Director, Business Development  
Director, Marketing and Communications  
Director, Technology

Lynn Petersen  
Sarah Phillips  
Duncan Snook  
Emma Day  
Alex Copeland  
Alison Macdonald  
Gemma Stanford  
Alan Hiscox  
Mark Weston  
Tracy Casstles  
Georgina Walters  
Vacant  
Vacant

**THE BRITISH HORSE SOCIETY**  
**ADMINISTRATIVE DETAILS, ADVISERS AND COMPANY INFORMATION**

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**LEGAL AND CHARITABLE STATUS**

The Society was incorporated on 5th November 1947 as a company limited by guarantee and is governed by its Articles of Association. The company number is 444742. The Society's charity registration numbers are 210504 in England and Wales, and SCO38516 in Scotland.

**SUBSIDIARIES**

The British Horse Society (Trading Company) Limited was incorporated on 11 September 1991 as a wholly owned subsidiary of the Society. The company's registration number is 2644832.

Equestrian Qualifications GB Limited was incorporated on 18 January 2006 as a wholly owned subsidiary of the Society. The company's registration number is 5679140.

The results of the two subsidiaries have been consolidated within the accounts of the Society.

**AUDITORS**

RSM UK Audit LLP  
St Phillips Point  
Temple Row  
Birmingham  
B2 5AF

**LEGAL ADVISERS**

PriceWaterhouseCoopers LLP  
Hay's Galleria  
1 Hay's Lane  
London  
SE1 2RD

**BANKERS**

Lloyds Bank plc  
2nd Floor  
125 Colmore Row  
Birmingham  
B3 3SF

**INVESTMENT MANAGERS**

McInroy & Wood  
53 Davies Steet  
London  
W1K 5JH

National Westminster Bank plc  
59 The parade  
Leamington Spa  
Warwickshire  
CV32 4BH

M & G Investments  
Laurence Pountney Hill  
London  
EC4R 0HH

**TAX ADVISERS**

RSM UK Tax and Accounting Limited  
Temple Row  
Birmingham  
B2 5AF

**REGISTERED OFFICE AND PRINCIPAL ADDRESS**

Abbey Park  
Stareton  
Kenilworth  
Warwickshire  
CV8 2XZ

**THE BRITISH HORSE SOCIETY**  
**TRUSTEES' REPORT (incorporating Strategic Report)**  
for the year ended 31 December 2017

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**STATUS**

The British Horse Society is a charitable company incorporated in England. It does not have a share capital and is limited by guarantee. The company is registered as a charity with the Charity Commission and the Office of the Scottish Charity Regulator.

**OBJECTIVES**

The Society's Articles of Association outline the following objectives within the objects clause:

- to promote and advance the education, training and safety of the public in all matters relating to the horse;
- to promote the use, breeding, well-being, safety, environment, health and management of the horse for the public benefit;
- to promote community participation in healthy recreation involving the horse;
- to promote and facilitate the prevention of cruelty, neglect or harm to horses and to promote the relief, safety, sanctuary, rescue and welfare of horses in need of care, attention and assistance; and
- to promote and secure the provision, protection and preservation of rights of way and of access for ridden and driven horses over public roads, highways, footpaths, bridleways, carriage ways, public paths and other land.

Horse, for the purpose of the Society, means any member of the family Equidae.

**TRUSTEES**

**Board of Trustees**

The Board of Trustees governs the Society and is responsible for the management of the charity's affairs. The Board consists of:

- up to nine members elected by the Society's membership;
- up to three co-opted members; and
- the Chairman

Elected members serve a term of office of three years, co-opted members serve a term of office until the next trustee election. Elections are held annually and are structured to elect members to the board with complementary skills and expertise.

**Legal Status of Trustees**

The Board of Trustees are registered as trustees with the Charity Commission. They are also the statutory directors of the company and as such are registered with Companies House. Throughout this report the term "Trustee" is used to mean "Trustee and Statutory Director of The British Horse Society". The term "Director" is used to mean the senior member of staff in charge of a directorate.

Qualifying third party indemnity provision is in place for all trustees and directors.

### **Induction of Trustees**

Newly elected trustees take part in a comprehensive induction which sets out their duties and responsibilities as Trustees, together with a programme setting out the aims and operations of the Society and its strategic objectives. The Trustees have access to professional and legal advisers and receive briefings and training on any legislative or good practice issues in respect of the Society's affairs.

### **Board Activity**

The Board of Trustees meets a minimum of six times each year, and in addition, meets with the Society's senior staff in a sequence of planning and strategic meetings. This cycle of meetings establishes, monitors and evaluates the Society's plans; develops strategies for the delivery of the Society's objects; and identifies the resources, financial and human, required to deliver them.

### **Remuneration and Expenses**

The details of expenses and transactions relating to trustees are disclosed in note 8 to the accounts.

The Trustees are also responsible for the remuneration of the Society's senior management team. The remuneration levels are reviewed annually, or on appointment, with regard to appropriate market information and benchmarks for the roles involved.

### **Advisory Committees of the Board of Trustees**

The Society's Articles makes provision for two specific advisory committees:

- The Finance Committee
- The Audit Committee

The Board may also appoint such other Advisory Committees as shall be considered beneficial to the Society and delegate to it such powers and functions for it to perform its purpose.

### **Risk**

In discharge of their responsibility to identify and manage the risks that the Society faces, the Trustees require a risk register to be maintained. The risks documented therein are reviewed by the Audit Committee and the Finance Committee as part of their programme of work. The register is updated and revised at least six monthly, and where appropriate a specific director or group of directors is allocated to each risk. As publication of the risks, may, in certain circumstances, increase the likelihood of the risk materialising, the register is not published, but it is made available for inspection to the Society's auditors. However, during 2017 the Trustees recognised the following principal risks:

- a significant decline in income due to either internal or external factors
- a major outbreak of equine disease which might adversely affect members ability to remain in membership
- membership reductions if member benefits are not maintained

## **THE BRITISH HORSE SOCIETY**

### **TRUSTEES' REPORT (incorporating Strategic Report)**

for the year ended 31 December 2017

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#### **Trustees Responsibilities in Respect of the Trustees Annual Report and Accounts**

The Trustees are responsible for preparing the Trustees Annual Report and 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 income and expenditure of the 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 United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts
- prepare the accounts on a 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 Trustees 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.

#### **Disclosure of Information to Auditor**

So far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware
- they 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

#### **Website and Other Media Channels**

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Society's website and other media channels. The Trustees are mindful that legislation in the United Kingdom, particularly governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

#### **PUBLIC BENEFIT**

The Trustees confirm, that in their opinion they have complied with the duty in Section 17(5) of the Charities Act 2011, to have due regard to public benefit guidance issued by the Charity Commissioner. The objectives of the Society benefit every horse and rider and the public at large. The BHS contributes to the safety and growth of the equestrian industry by encouraging people of all ages and from all sections of society to participate in equestrian activities, by promoting a range of horse-related activities, by working to maximise the opportunities for people to ride in safe environments, and by supporting those people and businesses who provide equestrian facilities.

## **RESERVES POLICY**

The management of the Society's reserves is an inherent element of the trustees' overall approach to the charity's stewardship and risk management. The need for reserves will vary depending on the circumstances that the trustees identify at any point in the planning cycle. In determining a reserves policy the following factors have been considered:

- the requirement for short to medium term protection against a significant loss in income
- the need to ensure the provision of adequate resource (human and financial) in the event of the need for a period of recovery
- The flexibility to be able to respond to growth and investment opportunities as and when the need arises
- the high level of discretion held by the trustees over the commitment of charitable expenditure and the need to sustain a level of professional staff

As a result the trustees wish to maintain freely available reserves at a level that enables the charity to manage and withstand the necessary period of recovery from a significant loss in revenue. The trustees have identified that the exposure from such a significant loss would be in the operating range of £1.5 million to £2.0 million and require that net cash or cash equivalents are maintained at that operating range. The trustees have also identified that the level of non-refundable income deferred into future periods is sufficient to sustain 3 months' worth of staff resource.

Freely available reserves exclude designated funds, restricted funds and any long term liabilities, should those long term liabilities exist. The level of freely available reserves at 31 December 2017 is £3.3 million (2016: £3.4 million) which is greater than the operating range required to be maintained by the trustees.

## **INVESTMENT POLICY**

It is the Society's policy to invest available funds in UK based banks and other UK based institutions. These investments take the form of cash deposits and listed investments only and are limited to £1.5 million plus interest with each bank or institution. Performance is monitored and reviewed by the Finance Committee.

## **GOING CONCERN**

The trustees confirm that they consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements, and do not consider that there are any material uncertainties to the group's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements.



## **STRATEGIC REPORT**

### **ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE**

The past year has seen the Society achieve two momentous milestones. August heralded our 100,000th member and November saw the start of our 70th anniversary celebrations. Our Platinum celebrations span the whole of 2017/18 with so many events being held locally, regionally and nationally, celebrating the great work of everyone involved with the Society - our growing family of members and supporters.

#### **Access**

With the scarcity of public funds to spend and invest on rights of way there is a greater importance on the outputs of our collaborative projects and partnership work in this area. In 2017 we worked alongside Cycling UK and The Ramblers in attending the Environment, Food and Rural Affairs Committee and called for more shared, safe, off road access for equestrians, cyclists and walkers. Many other alliances were struck across the UK with BHS being a founder member of the Scottish Outdoor Recreation Alliance. The valuable local work of our volunteer officers and groups has once again opened up routes that may otherwise be lost – and with financial support from the BHS Paths for Communities Fund the eight schemes that have been implemented exceeding our annual target of six.

Indeed we have also met our target of recruiting and training new Access and Bridleways Officers with 25 joining the fold in 2017 – making our county and regional coverage in excess of 280 officers by the end of the year. May 2017 was Ride Out UK month – a huge response saw us double the number of anticipated events with over 1,000 people attending 62 events, including 5 National Trust properties, across the UK.

With the deadline of the cut-off date for recording historic bridleways now less than 10 years away – our 2026 Project is gathering pace with Definitive Map Modification Orders being processed in 12 counties across all regions.

#### **Education**

Last summer saw the launch of a new age in BHS Education assessment and delivery. The new Equine Excellence Pathway is the culmination of months of planning and consultation, the creation of new syllabi, identifying new learning outcomes, the production of new materials and the training of assessors. The Pathway has completely modernised and refreshed the suite of BHS qualifications - the journey starts with the new Ride Safe Award which covers how to ride safely, in all conditions and leads to wherever your career aspirations are heading; caring for horses, riding professionally or coaching the next generation. Making allowance for a period of adjustment for the new pathway we still had in excess of 5,800 candidates over 600 assessment days. We look forward to increased engagement within the new pathway in 2018.

The international influence of our education marque was consolidated in 2017, particularly in China, where we have started to rise to the challenge of meeting demand and maintaining standards by working in partnership with Equuleus International Riding Club - with a view to enhancing the inspection and assessment environment.

Having created our community of Accredited Professional Coaches in 2016 we are striving to engage further and grow our numbers – in 2017 BHS maintained its focus on lifelong learning and increased the number of opportunities for CPD.

The National Coaching Convention held in March was the biggest event of its kind that the BHS has run for many years – during its two days it hosted 1,100 delegates and was a great platform for coach development.

Since its introduction in 2016 the BHS Instructors Development Scholarship, which is designed to assist aspiring coaches to gain further BHS qualifications, has increased the annual number of successful applicants from 20 in 2016 to 44 in 2017. The financial support earmarked in 2017 was in excess of £48,000 – and the scholarship to date has seen 11 coaches qualify across Stage 3, Stage 4 and Stage 5.

### **Fundraising**

The efforts of our fundraising team continue to support our essential charitable activities. £235,000 has been raised in total and applied to specific purposes within our restricted funds mainly in support of our Welfare, Access and Safety campaigns. The Forever for the Horse Fund, which we transfer annually to designated funds in support of Welfare, Access and Education activity was increased by £64,000. 2018 sees the development of a number of new projects to which these funds will be applied.

In early 2017 we completed a review of our fundraising policies to ensure compliance with the Code of Practice for Fundraising. We support the establishment of the Fundraising Regulator and participate in the levy scheme. We are happy to report that we received no complaints relating to fundraising in 2017.

### **Membership**

2017 saw us pass the magical milestone of 100,000 members. This was achieved in late August and warranted a celebration at headquarters to which we were able to invite our 100,000th member. Our principle target was to achieve over 101,000 members by the end of the year -in fact our membership grew from 96,500 at the end of 2016 to 101,050 – a growth of 5%. We remain ambitious to welcome more and more members to the BHS family in 2018.

As we strive to improve the range of benefits and opportunities that membership provides, we are also experiencing an increase in individuals opting to pay by direct debit and signing up for gift aid – and we have responded by making these routes easier to pursue.

### **Participation**

Our Participation Project jointly funded with Sport England and the British Equestrian Federation hit the milestone of 10,000 new participants during 2017 and grew to 11,300 by the end of the year. The aim of the project is to engage with riders and horse owners who may not otherwise be reached through our membership structure to encourage more frequent riding and enjoyment around horses. Our network of Accredited Professional Coaches and centres deliver this vital project which is on course against our targets and is set for continued growth in 2018.

**THE BRITISH HORSE SOCIETY**  
**TRUSTEES' REPORT (incorporating Strategic Report)**  
for the year ended 31 December 2017

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Early 2017 saw the launch of our Changing Lives Through Horses programme – in support of improving the lives of young people who are at risk of disengagement or exclusion using horses as the inspiration for change – and donations and grants totalling £144,000, including £50,000 from the Her Majesty's 90th Birthday Fund, has given this ground breaking work a great lift in its first year with over 70% of attendees returning to full time education.

Our support for BHS Approved Centres remains vital as all riding schools and livery yards continue to face challenging times – our numbers dropped from 822 to 767 during the year, and although we welcomed 38 new centres the net attrition due to economic pressures remains a concern. Our campaign regarding the considerable rise in rateable values leading to increased business rates for riding schools and livery yards has gained greater traction. BHS played a key role making the case to government at the request of the Minister for Communities and Local Government. In addition to consulting and maintaining a dialogue with those affected we continue to work with key figures and MPs - Dame Caroline Spelman MP has also made a compelling argument in support of equine establishments – and BHS was represented in a meeting with the Chancellor of the Exchequer. The campaign continues into 2018.

In the latter half of the year our inspection team have been heavily engaged in working towards the external quality assurance provided by UKAS accreditation. The BHS Approved Centre Scheme has undergone a standardisation exercise including the scheme policies and documentation.

The opportunities for recreational riders to enjoy their horses in a supportive environment have been enhanced by British Riding Clubs in 2017. Although the number of clubs and members remain relatively static at 520 and 34,000 respectively the level of participation in qualifiers and the Championships has increased by 25% to just short of the 24,000 mark. The introduction of the new 70cm Show Jumping Championship and the Grassroots Points and Novice Leagues proved a success.

The continuing development of the Championship classes and structure has been matched by the production of the new BRC Handbook which combines the old rulebook, organiser's book and affiliation pack. In a busy year we have also welcomed and trained 17 new officials.

### **Safety**

Our Safety department has built on the success of the award winning Dead? Or Dead Slow? campaign with equine safety awareness increasing across all types of road user and has led to partnerships at local, regional and national level. We continue to work collaboratively with Cycling UK, the Fire and Rescue Service, the RSPCA, RAF, the Driving Instructors Association and Police forces the length and breadth of the UK. BHS presented at The National Road Safety and Road Safety Scotland conferences. In July we briefed Derek Thomas MP for the Westminster debate entitled The Safety of Horses on Rural Roads – which led to working alongside Department for Transport statisticians to refine and improve our Horse Accidents website.

We commissioned a major piece of research with the Transport Research Laboratory entitled *Conspicuity of Horses and Riders on Roads* which was launched during Road Safety Week in November. The research focused on rider and horse visibility and gives clear evidence upon which riders can base their clothing and equipment decisions.

We continued to provide our Rider Responsibility Events which proved popular with riders throughout the UK – learning of their duty when riding on the road and able to share experiences with the common goal of improving safety.

### **Volunteers**

The number of volunteers dedicated to welfare, access, safety, participation and education, plus the operation of our regional and local committees is now approaching the 950 mark. We are indebted to this dedicated ground force whose skill, knowledge and passion make a vital contribution to the delivery of our charitable objectives. Indeed, many devote their time on a regular basis and provide continuous support, particularly to our Access and Welfare departments. We have calculated the value of the workload that our volunteers deliver and it is in excess of £3.5 million. Our heartfelt thanks go to each and every one for their immense personal contributions.

### **Welfare**

Building on the successful launch of our REACT Now to Beat Colic campaign we distributed over 10,000 information packs to horse owners in the campaign's first full year. Our work in this area, in conjunction with the University of Nottingham, was recognised internationally at the Equine Colic Research Symposium in Kentucky in July. To crown an excellent year REACT went on to win the Veterinary Record Evidence Award presented by the British Veterinary Association.

Our focus on education has continued with a sell-out Welfare Conference entitled "Horse Care and Training - Are We Getting the Fundamentals Right?" with a comprehensive programme including all aspects of effective and ethical care. During the year our UK army of volunteer Welfare Officers grew in number to 186, an increase that surpassed our expectations, and we continue to educate and inform through the introduction of new and topical pieces of advisory literature – of particular note was the publication of our policy on atypical myopathy in association with the Arboricultural Association.

In 2017 we held seven more Healthcare Clinics as part of the BHS/BEVA collaboration – with 349 high risk horses attending - 134 of which were castrated in line with our policy on responsible breeding. The clinics are a perfect and unique opportunity for students to attend and observe the welfare of a high risk equine population. At the Wisbech clinic alone we were joined by 20 final year veterinary students from Cambridge and Nottingham universities.

### **Development Team**

Wherever you live in the UK our regional and national managers provide a programme of delivery across all our activities and are involved with members, the public, riding centres, livery yards, instructors, coaches, volunteers, show and event managers, and a whole host of partner organisations whose work contributes to the objectives of the Society.

### **Operations**

With the implementation of the new GDPR regime imminent in May 2018 – our planning and review of systems, processes and policies - including a self-evaluation of our readiness for the new regulations - commenced a year out in April 2017. This early action led to a number of workshops and training days in preparation for the change, informed and facilitated by external consultants. 2017 also saw the commencement of a wide ranging and longer term review of our Information Systems – with one early achievement being the redesign and reimplementation of the BHS's finance package in the last quarter of the year.

### **Financial Report for the Year**

The Society's consolidated results include a deficit across all funds of £402,000 (2016: £531,000 surplus) and reflects the trustees' strategy of investing in projects through designated funds. The trustees have continued to earmark funds for investment in charitable activities in 2018.

Membership subscriptions continue to be the main source of revenue, and, inclusive of gift aid and after provision for life memberships, they increased by 6.2% to £7,515,000 (2016: £7,076,000). Allowing for increased expenditure through designated and restricted funds, expenditure on our charitable activities grew in line with expectation to £10,700,000 (2016: £9,454,000). This figure is reported in detail in the financial statements and reflects the Society's investment in membership services, training, examinations, approvals, safety access and welfare including an allocation by headcount of support costs.

Both of the Society's trading subsidiaries achieved surpluses and continue to gift aid their profits to the parent charity.

### **Future Plans**

The trustees continue to identify membership growth as a key driver to increase engagement, participation and awareness and have targeted the figure of 110,000 members by the end of 2018. We will continue to fund our growing welfare, safety and access campaigns and seek appropriate partnerships and collaborations to deliver our charitable objectives. Further investment in our education systems and programmes is in anticipation of the growth in our career and education pathway candidate numbers. In the first quarter of 2018 the trustees commissioned a review of local and national service delivery - Fit for the Future - which will inform longer term investment in member services, products and the Society's infrastructure.

The Trustees Report, incorporating the Strategic Report, was approved by the board on 14<sup>TH</sup> JUNE 2018

**David Sheerin**  
Chairman



## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BRITISH HORSE SOCIETY**

### **Opinion**

We have audited the financial statements of The British Horse Society (the 'charity') (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise Consolidated and Society Statements of Financial Activities, the Group and Society Balance Sheets, the Consolidated and Society Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 December 2017 and of the group's and parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the Charities Act 2011.

### **Basis for opinion**

We have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under section 151 of the Charities Act 2011 and report in accordance with regulations made under those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE BRITISH HORSE SOCIETY (continued)**

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

We have nothing to report in respect of the following matters where the Charities Account (Scotland) Regulations 2006 (as amended) and the Charities Act 2011 require us to report to you if, in our opinion:

- the information given in the Trustees' Report is not consistent in any material respect with the financial statements; or
- proper and sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit;

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 6, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charity or to cease operations, or have no realistic alternative but to do so.

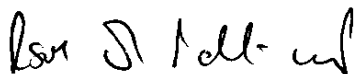
### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely 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 (as amended) and the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



PAUL OXTOBY (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

St Philips Point

Temple Row

Birmingham B2 5AF

Date: 21 June 2018

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

**THE BRITISH HORSE SOCIETY**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account)  
for the year ended 31 December 2017

		<b>Unrestricted</b>	<b>Designated</b>	<b>Restricted</b>	<b>2017</b>	<b>2016</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>Total</b>	<b>Total</b>
					<b>£000</b>	<b>£000</b>
<b>Income and endowments from:</b>						
Donations, legacies and grants	2	82	-	298	380	301
Charitable activities:						
Membership subscriptions	3	7,515	-	-	7,515	7,076
Examinations and other fees		1,504	-	1	1,505	1,649
Events		785	-	-	785	780
Other trading activities:						
Trading income		176	-	-	176	227
Advertising		445	-	-	445	446
Commission received		53	-	-	53	48
Challenge Rides		-	-	80	80	141
Other income	4	245	-	-	245	239
Investment income	5	21	-	-	21	71
<b>Total income</b>		<b>10,826</b>	<b>-</b>	<b>379</b>	<b>11,205</b>	<b>10,978</b>
<b>Expenditure on</b>						
Raising funds	7	982	-	125	1,107	1,297
Charitable activities	7	9,893	648	159	10,700	9,454
<b>Total expenditure</b>		<b>10,875</b>	<b>648</b>	<b>284</b>	<b>11,807</b>	<b>10,751</b>
<b>Net gains on investments</b>		<b>200</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>304</b>
<b>Net income/(expenditure)</b>		<b>151</b>	<b>( 648 )</b>	<b>95</b>	<b>( 402 )</b>	<b>531</b>
Transfers between funds	15,16	( 255 )	249	6	-	-
<b>Net movement in funds</b>		<b>( 104 )</b>	<b>( 399 )</b>	<b>101</b>	<b>( 402 )</b>	<b>531</b>
<b>Fund balances brought forward</b>		<b>3,375</b>	<b>5,261</b>	<b>455</b>	<b>9,091</b>	<b>8,560</b>
<b>Fund balances carried forward</b>		<b>3,271</b>	<b>4,862</b>	<b>556</b>	<b>8,689</b>	<b>9,091</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.



**THE BRITISH HORSE SOCIETY**  
**SOCIETY STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account)  
for the year ended 31 December 2017

		<b>Unrestricted</b>	<b>Designated</b>	<b>Restricted</b>	<b>2017</b>	<b>2016</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>Total</b>	<b>Total</b>
					<b>£000</b>	<b>£000</b>
<b>Income and endowments from:</b>						
Donations, legacies and grants	2	220	-	298	518	301
Charitable activities:						
Membership subscriptions	3	7,515	-	-	7,515	7,076
Examinations and other fees		1,460	-	1	1,461	1,595
Events		785	-	-	785	780
Other trading activities:						
Trading income		32	-	-	32	31
Advertising		12	-	-	12	7
Commission received		53	-	-	53	48
Challenge Rides		-	-	80	80	141
Other income	4	247	-	-	247	241
Investment income	5	21	-	-	21	71
<b>Total income</b>		<b>10,345</b>	<b>-</b>	<b>379</b>	<b>10,724</b>	<b>10,291</b>
<b>Expenditure on</b>						
Raising funds	7	446	-	125	571	695
Charitable activities	7	9,857	648	159	10,664	9,508
<b>Total expenditure</b>		<b>10,303</b>	<b>648</b>	<b>284</b>	<b>11,235</b>	<b>10,203</b>
<b>Net gains on investments</b>		<b>200</b>	<b>-</b>	<b>-</b>	<b>200</b>	<b>304</b>
<b>Net income/(expenditure)</b>		<b>242</b>	<b>( 648 )</b>	<b>95</b>	<b>( 311 )</b>	<b>392</b>
Transfers between funds	15,16	( 255 )	249	6	-	-
<b>Net movement in funds</b>		<b>( 13 )</b>	<b>( 399 )</b>	<b>101</b>	<b>( 311 )</b>	<b>392</b>
<b>Fund balances brought forward</b>		<b>3,226</b>	<b>5,261</b>	<b>455</b>	<b>8,942</b>	<b>8,550</b>
<b>Fund balances carried forward</b>		<b>3,213</b>	<b>4,862</b>	<b>556</b>	<b>8,631</b>	<b>8,942</b>

**THE BRITISH HORSE SOCIETY****BALANCE SHEETS**

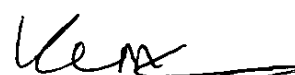
Company Registration No: 00444742

31 December 2017

		Group		Society	
	Notes	2017 £000	2016 £000	2017 £000	2016 £000
<b>FIXED ASSETS</b>					
Intangible fixed assets	9	878	600	878	600
Tangible fixed assets	10	3,737	3,833	3,737	3,833
Investments	11	2,625	2,409	2,630	2,414
		<b>7,240</b>	<b>6,842</b>	<b>7,245</b>	<b>6,847</b>
<b>CURRENT ASSETS</b>					
Stock		74	52	-	-
Debtors	12	1,415	1,415	1,437	1,616
Term deposits		2,582	2,588	2,582	2,588
Cash at bank and in hand		778	1,520	752	1,143
		<b>4,849</b>	<b>5,575</b>	<b>4,771</b>	<b>5,347</b>
<b>CURRENT LIABILITIES</b>					
Creditors due within one year	13	3,077	2,995	3,062	2,921
		<b>1,772</b>	<b>2,580</b>	<b>1,709</b>	<b>2,426</b>
<b>NET CURRENT ASSETS</b>					
Creditors due after more than one year	13	323	331	323	331
		<b>8,689</b>	<b>9,091</b>	<b>8,631</b>	<b>8,942</b>
<b>NET ASSETS</b>					
<b>REPRESENTED BY</b>					
Restricted funds	15	556	455	556	455
Designated funds	16	4,862	5,261	4,862	5,261
Other charitable funds	17	3,213	3,226	3,213	3,226
Non-charitable trading funds	17	58	149	-	-
		<b>8,689</b>	<b>9,091</b>	<b>8,631</b>	<b>8,942</b>

The financial statements were approved and authorised for issue by the Board on 14<sup>TH</sup> JUNE 2018  
and signed on its behalf by:

David Sheerin  
Chairman

Martin Clemmey  
Director

**THE BRITISH HORSE SOCIETY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2017

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities:</b>		
Net cash (used in) operating activities	<u>( 162 )</u>	<u>( 381 )</u>
<b>Cash flows from investing activities:</b>		
Interest from investments	21	71
Purchase of intangible fixed assets	( 461 )	( 571 )
Purchase of tangible fixed assets	( 129 )	( 35 )
Purchase of investments	( 17 )	( 16 )
<b>Net cash (used in) investing activities</b>	<u>( 586 )</u>	<u>( 551 )</u>
Change in cash and cash equivalents in the year	( 748 )	( 932 )
Cash and cash equivalents at the beginning of the year	4,108	5,040
<b>Cash and cash equivalents at the end of the year</b>	<u><b>3,360</b></u>	<u><b>4,108</b></u>
<b>Reconciliation of net income to net cash flow from operating activities:</b>		
<b>Net income for the year</b>	( 402 )	531
Depreciation and amortisation	408	360
Investment income	( 21 )	( 71 )
Investment gains	( 200 )	( 304 )
Movement in stocks	( 22 )	25
Movement in debtors	-	( 221 )
Movement in creditors	75	( 701 )
<b>Net cash (used in) operating activities</b>	<u><b>( 162 )</b></u>	<u><b>( 381 )</b></u>
<b>Analysis of changes in cash and cash equivalents</b>	<b>At 1st</b>	<b>At 31st</b>
	<b>January</b>	<b>December</b>
	<b>2017</b>	<b>2017</b>
		<b>Cash flows</b>
Cash at bank	1,520	( 742 )
Short term deposits	2,588	( 6 )
	<u><b>4,108</b></u>	<u><b>( 748 )</b></u>
		<u><b>3,360</b></u>

**THE BRITISH HORSE SOCIETY**  
**SOCIETY STATEMENT OF CASH FLOWS**  
for the year ended 31 December 2017

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Cash flows from operating activities:</b>		
Net cash (used in)/provided by operating activities	189	( 708 )
<b>Cash flows from investing activities:</b>		
Interest from investments	21	71
Purchase of intangible fixed assets	( 461 )	( 571 )
Purchase of tangible fixed assets	( 129 )	( 35 )
Purchase of investments	( 17 )	( 16 )
<b>Net cash (used in) investing activities</b>	<b>( 586 )</b>	<b>( 551 )</b>
Change in cash and cash equivalents in the year	( 397 )	( 1,259 )
Cash and cash equivalents at the beginning of the year	3,731	4,990
<b>Cash and cash equivalents at the end of the year</b>	<b>3,334</b>	<b>3,731</b>
<b>Reconciliation of net income to net cash flow from operating activities:</b>		
<b>Net income for the year</b>	<b>( 311 )</b>	<b>392</b>
Depreciation and amortisation	408	360
Investment income	( 21 )	( 71 )
Investment gains	( 200 )	( 304 )
Movement in debtors	179	( 346 )
Movement in creditors	134	( 739 )
<b>Net cash (used in) operating activities</b>	<b>189</b>	<b>( 708 )</b>

<b>Analysis of changes in cash and cash equivalents</b>	<b>At 1st January 2017</b>	<b>Cash flows</b>	<b>At 31st December 2017</b>
Cash at bank	1,143	( 391 )	752
Short term deposits	2,588	( 6 )	2,582
	<b>3,731</b>	<b>( 397 )</b>	<b>3,334</b>

1. **Accounting Policies**

**Basis of Accounting**

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

The British Horse Society meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below:

**Basis of Consolidation**

The group accounts consolidate the financial statements of the Society and its trading subsidiary undertakings. Intra-group transactions are eliminated on the 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.

**Income**

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, inclusive of membership income, 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 receivable.

**Subscriptions**

Annual subscriptions are recognised and time apportioned on a monthly basis. A proportion of life memberships are deferred. This deferral is calculated with reference to estimated remaining years to expiry.

**Legacies and Donations**

Credit for income arising under these headings is taken in the year in which the amount can be assessed with reasonable probability. 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 where the amount is required to be held.

### **Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings: **Costs of raising funds** comprise the costs of commercial trading and assessment of examiners. **Expenditure on charitable activities** includes the costs of exams, events and providing membership services.

**Other expenditure** represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. **Support costs** are those costs incurred directly in support of expenditure on the objectives of the charity and are allocated on the basis of headcount attributable to the department.

### **Intangible and Tangible Fixed Assets**

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 straight line basis to write off their cost over their expected useful lives. Intangible fixed assets are capitalised in respect of project related software and development costs and are written off once commissioned over their expected useful lives. The annual rates applied to the principal items are:

Freehold buildings:	25 years
Fixtures and fittings:	3-5 years
Motor vehicles:	4 years
Computer equipment:	3 years
Database and technology assets:	3 years
Freehold land is not depreciated	

### **Operating Leases**

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

### **Defined Contribution Pension Scheme**

The Society operates money purchase pension schemes which all employees may join after having served for a qualifying period. Both the Society and the employee make defined contributions to purchase the employee's individual pension. All such contributions are held in separate trust funds which are independent of the Society's finances. The pension costs charged against the Society's results represent the amount of the Society's contributions payable to the schemes in respect of the accounting period. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### **Taxation**

The Society is a Registered Charity and undertakes activities which, under present legislation, are not subject to Corporation Tax. The Society's subsidiaries undertake trading activities within the meaning of the Taxes Acts and are liable to Corporation Tax. However the subsidiaries gift aid all their taxable profits to the Society and as a consequence no provision is made for the payment of Corporation Tax either current or deferred.

**Stocks**

Stocks on hand of consumables and items for resale are stated at the lower of cost and estimated net realisable value. Net realisable value is based upon estimated selling prices less cost of disposal. Provision is made for obsolete and slow moving items.

**Investments**

Current asset investments include short term deposits held at UK banks. Listed investments are included at fair value; the movement in listed investments is shown through the statement of financial activities. Investments in subsidiary companies are included at cost.

**Trade Debtors**

Trade and other debtors which are receivable within one year are initially recognised at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

**Cash and Bank Balances**

Cash and bank balances includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

**Trade Creditors and Liabilities**

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

**Funds**

Other charitable funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the accounts. Restricted funds are the 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.

**Going Concern**

The trustees consider that the charity has adequate funds to meet anticipated future objectives.

**Financial Instruments**

The group and charity only have financial assets of a kind which qualify as basic financial instruments. These are initially recognised at transaction value and subsequently measured at their settlement value.

**Critical Accounting Estimates and Areas of Judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are appropriate critical accounting estimates and assumptions made in determining the deferred proportion of life memberships.

THE BRITISH HORSE SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2017

	Group		Society	
	2017	2016	2017	2016
	£000	£000	£000	£000
<b>2. Donations, legacies and grants</b>				
<b>Donations received include:</b>				
HM Queen 90th Birthday Fund	50	-	50	-
Elise Pilkington Charitable Trust	12	-	12	-
The Worshipful Company of Saddlers and Kaye's and Labourne's Charity	20	20	20	20
C S Heber-Percy	20	-	20	-
K B W Wickham	20	-	20	-
The Kate Wightman Trust	-	10	-	10
Qualifying donations from subsidiaries	-	-	138	-
<b>Legacies received include:</b>				
E Ord	18	-	18	-
M Wynne Baxter	14	-	14	-
A A Child	14	-	14	-
M V P Ashton	-	28	-	28
<b>Grants received include:</b>				
British Equestrian Federation	51	56	51	56
Worshipful Company of Saddlers	22	44	22	44
Scottish National Heritage	16	19	16	19
Other donations, legacies and grants	123	124	123	124
	<b>380</b>	<b>301</b>	<b>518</b>	<b>301</b>

	Group		Society	
	2017	2016	2017	2016
	£000	£000	£000	£000
<b>3. Membership income</b>				
During the year ended 31 December membership subscriptions after provision for deferred life membership income were:	6,741	6,287	6,741	6,287
In the same period, gift aid was claimed amounting to:	774	789	774	789
	<b>7,515</b>	<b>7,076</b>	<b>7,515</b>	<b>7,076</b>



THE BRITISH HORSE SOCIETY  
NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2017

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4.	Other income	Group		Society	
		2017 £000	2016 £000	2017 £000	2016 £000
	Other (includes consultancy, service charges and miscellaneous items)	175	169	175	169
	Rental income	70	70	72	72
		<u>245</u>	<u>239</u>	<u>247</u>	<u>241</u>

5.	Income from investments	Group		Society	
		2017 £000	2016 £000	2017 £000	2016 £000
	Income from listed investments	4	19	4	19
	Interest receivable	17	52	17	52
		<u>21</u>	<u>71</u>	<u>21</u>	<u>71</u>

**6. Subsidiary Companies**

The Society has two wholly owned trading subsidiaries, which are incorporated in England. The British Horse Society (Trading Company) Limited undertakes the trading activities of the Society and Equestrian Qualifications GB Limited undertakes accreditation of equine qualifications. Each company covenants its taxable profits to the Society.

The trading results of each subsidiary are included within the consolidated accounts. Each entity files audited accounts with the Registrar of Companies. A summary of the results of each subsidiary is shown below:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>The British Horse Society (Trading Company) Limited</b>		
Turnover	577	634
Less: Cost of sales	537	602
<b>Surplus for the year</b>	<b>40</b>	<b>32</b>
Gift aid to charity	32	-
Assets	175	418
Liabilities	119	370
<b>Net funds</b>	<b>56</b>	<b>48</b>
<b>Equestrian Qualifications GB Limited</b>		
Turnover	195	287
Less: Cost of sales	188	181
<b>Surplus for the year</b>	<b>7</b>	<b>106</b>
Gift aid to charity	106	-
Assets	12	115
Liabilities	5	9
<b>Net funds</b>	<b>7</b>	<b>106</b>

7. Analysis of total expenditure

Group	Activities undertaken directly £000	Support costs £000	Designated funds £000	Restricted funds £000	Total 2017 £000
<b>Expenditure on raising funds in 2017</b>					
Fundraising, trading, cost of goods and other costs	785	197	-	125	1,107
<b>Expenditure on charitable activities in 2017</b>					
Membership services	2,639	1,269	104	16	4,028
Training, examinations and approvals	2,357	1,399	406	94	4,256
Safety, Access and Welfare	578	656	122	49	1,405
Events	798	197	16	-	1,011
<b>Total charitable activities</b>	<b>6,372</b>	<b>3,521</b>	<b>648</b>	<b>159</b>	<b>10,700</b>
<b>Total expenditure</b>	<b>7,157</b>	<b>3,718</b>	<b>648</b>	<b>284</b>	<b>11,807</b>

Society	Activities undertaken directly £000	Support costs £000	Designated funds £000	Restricted funds £000	Total 2017 £000
<b>Expenditure on raising funds in 2017</b>					
Fundraising, trading, cost of goods and other costs	249	197	-	125	571
<b>Expenditure on charitable activities in 2017</b>					
Membership services	2,639	1,269	104	16	4,028
Training, examinations and approvals	2,321	1,399	406	94	4,220
Safety, Access and Welfare	578	656	122	49	1,405
Events	798	197	16	-	1,011
<b>Total charitable activities</b>	<b>6,336</b>	<b>3,521</b>	<b>648</b>	<b>159</b>	<b>10,664</b>
<b>Total expenditure</b>	<b>6,585</b>	<b>3,718</b>	<b>648</b>	<b>284</b>	<b>11,235</b>

**7. Analysis of total expenditure (continued)**

<b>Group</b>	<b>Activities undertaken directly £000</b>	<b>Support costs £000</b>	<b>Designated funds £000</b>	<b>Restricted funds £000</b>	<b>Total 2016 £000</b>
<b>Expenditure on raising funds in 2016</b>					
Fundraising, trading, cost of goods and other costs	944	216	-	137	1,297
<b>Expenditure on charitable activities in 2016</b>					
Membership services	2,668	1,232	190	71	4,161
Training, examinations and approvals	1,977	1,232	55	25	3,289
Safety, Access and Welfare	603	541	70	29	1,243
Events	571	173	16	1	761
<b>Total charitable activities</b>	<b>5,819</b>	<b>3,178</b>	<b>331</b>	<b>126</b>	<b>9,454</b>
<b>Total expenditure</b>	<b>6,763</b>	<b>3,394</b>	<b>331</b>	<b>263</b>	<b>10,751</b>

<b>Society</b>	<b>Activities undertaken directly £000</b>	<b>Support costs £000</b>	<b>Designated funds £000</b>	<b>Restricted funds £000</b>	<b>Total 2016 £000</b>
<b>Expenditure on raising funds in 2016</b>					
Fundraising, trading, cost of goods and other costs	342	216	-	137	695
<b>Expenditure on charitable activities in 2016</b>					
Membership services	2,668	1,232	190	70	4,160
Training, examinations and approvals	2,032	1,232	55	25	3,344
Safety, Access and Welfare	603	541	70	29	1,243
Events	571	173	16	1	761
<b>Total charitable activities</b>	<b>5,874</b>	<b>3,178</b>	<b>331</b>	<b>125</b>	<b>9,508</b>
<b>Total expenditure</b>	<b>6,216</b>	<b>3,394</b>	<b>331</b>	<b>262</b>	<b>10,203</b>

**7. Analysis of total expenditure (continued)**

**Support Cost Breakdown by Activity**

	Fundraising £000	Membership services £000	Exams, training and approvals £000	Safety, Access and Welfare £000	Events £000	Total £000
<b>Group and Society 2017</b>						
Management	29	191	211	98	29	558
Finance	16	101	111	52	16	296
IT	58	373	411	193	58	1,093
Facilities	24	153	169	79	24	449
Human Resources	20	127	140	66	20	373
Marketing and communications	50	324	357	168	50	949
	<b>197</b>	<b>1,269</b>	<b>1,399</b>	<b>656</b>	<b>197</b>	<b>3,718</b>
<b>Group and Society 2016</b>						
Management	27	155	155	68	22	427
Finance	52	294	294	129	41	810
IT	50	284	284	125	40	783
Facilities	28	159	159	70	22	438
Human Resources	18	103	103	45	14	283
Marketing and communications	41	237	237	104	34	653
	<b>216</b>	<b>1,232</b>	<b>1,232</b>	<b>541</b>	<b>173</b>	<b>3,394</b>

Included in support costs above are Governance Costs of £126,871 (2016: £67,277) which include Chairman, Trustee and CEO expenses of £21,242 (2016: £34,370) and Legal, professional and audit fees of £105,629 (2016: £32,907).

	<b>Group</b>		<b>Society</b>	
<b>Total expenditure includes:</b>	<b>2017</b> £000	<b>2016</b> £000	<b>2017</b> £000	<b>2016</b> £000
Auditors remuneration				
for audit work	21	22	18	19
for non-audit work	11	9	11	9
Operating leases				
for land and buildings	27	27	27	27
for plant and machinery	53	30	53	30

**8. Trustees and employees**

No remuneration is paid to any trustee by virtue of their position on the board with the exception of the Chairman. The Chairman's remuneration was approved by the Charity Commission and a resolution of the trustees in June 2006. The trustees who held office during the year are listed in the Directors and Officers section of this report.

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Group and Society</b>		
The cost of travel and subsistence reimbursed to 11 (2016:12) trustees during the year amounted to:	9,512	23,638
Chairman's remuneration:		
D Sheerin	7,656	3,190
C Aldridge	-	5,104
Trustees were paid fees for examinations and other services as follows:		
F Hodges	7,036	7,672
M Norrie	-	737
H Hardy	-	128
D Tranter	97	88
D Sheerin	104	44

Following consultation with the Charity Commission payments to trustees for other services unrelated to their duties as trustees have been included with payments for examinations services as wholly permitted by the Society's articles.

The total remuneration including employer's national insurance and pension contributions payable to key management personnel was £927,359 (2016: £882,258)

<b>Staff Costs</b>	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Group</b>		
Salaries and wages	3,468	3,305
Social security costs	325	308
Pension costs	180	181
Other employee costs and benefits	100	104
	<b>4,073</b>	<b>3,898</b>

**8. Trustees and employees (continued)**

The Society operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Society in an independently audited and administered fund. The pension cost charge represents the contributions payable by the Society to the fund. Other employee costs and benefits include medical benefits and engagement costs. In the year £70,306 (2016: £17,011) was paid by way of redundancy or termination payments to leavers.

The number of employees whose emoluments as defined for taxation purposes amounted to more than £60,000 in the year was as follows:

	2017	2016
£130,001 to £140,000	-	1
£120,001 to £130,000	1	-
£80,001 to £90,000	-	1
£70,001 to £80,000	3	1
£60,001 to £70,000	2	3

The items used to determine the above values are the gross salary, employer's contribution for life cover, and the taxable value of benefits in kind. An amount of £50,342 (2016: £41,193) was contributed to a defined contribution pension scheme for the 6 (2016: 6) employees whose emoluments exceeded £60,000.

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

	2017	2016
Charitable activities	112	103
Cost of generating funds	5	5
	<b>117</b>	<b>108</b>

**9. Intangible Fixed Assets**

<b>Group and Society</b>	<b>Education Software £000</b>	<b>Membership Software £000</b>	<b>Other IT related Projects £000</b>	<b>Total £000</b>
<b>Cost</b>				
At 31 December 2016	268	200	197	665
Additions	61	175	225	461
<b>At 31 December 2017</b>	<b>329</b>	<b>375</b>	<b>422</b>	<b>1,126</b>
<b>Amortisation</b>				
At 31 December 2016	15	28	22	65
Charge for the year	71	49	63	183
<b>At 31 December 2017</b>	<b>86</b>	<b>77</b>	<b>85</b>	<b>248</b>
<b>Net Book Values</b>				
<b>As at 31 December 2017</b>	<b>243</b>	<b>298</b>	<b>337</b>	<b>878</b>
<b>As at 31 December 2016</b>	<b>253</b>	<b>172</b>	<b>175</b>	<b>600</b>

All intangible fixed assets developed and owned by the Society are used or intended for use for direct charitable purposes. All categories and classifications of intangible fixed assets were reviewed in the year in order to best reflect the assets use and nature. Amortisation of intangible fixed assets is charged against charitable activities.



10. **Tangible Fixed Assets**

<b>Group and Society</b>	<b>Motor Vehicles £000</b>	<b>Freehold Property £000</b>	<b>Computer Equipment £000</b>	<b>Fixtures &amp; Fittings £000</b>	<b>Total £000</b>
<b>Cost</b>					
At 31 December 2016	6	4,707	1,305	399	6,417
Additions	50	-	79	-	129
Disposals	-	-	-	( 90 )	( 90 )
<b>At 31 December 2017</b>	<b>56</b>	<b>4,707</b>	<b>1,384</b>	<b>309</b>	<b>6,456</b>
<b>Depreciation</b>					
At 31 December 2016	6	1,016	1,176	386	2,584
Charge for the year	-	176	43	6	225
Disposals	-	-	-	( 90 )	( 90 )
<b>At 31 December 2017</b>	<b>6</b>	<b>1,192</b>	<b>1,219</b>	<b>302</b>	<b>2,719</b>
<b>Net Book Values</b>					
<b>As at 31 December 2017</b>	<b>50</b>	<b>3,515</b>	<b>165</b>	<b>7</b>	<b>3,737</b>
<b>As at 31 December 2016</b>	<b>-</b>	<b>3,691</b>	<b>129</b>	<b>13</b>	<b>3,833</b>

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.

All categories and classifications of tangible fixed assets were reviewed in the year in order to best reflect the assets use and nature.

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11.	Fixed Asset Investments	Group		Society	
		2017	2016	2017	2016
		£000	£000	£000	£000
	Listed investments	2,625	2,409	2,625	2,409
	Shares in subsidiary undertakings	-	-	5	5
		<u>2,625</u>	<u>2,409</u>	<u>2,630</u>	<u>2,414</u>
	Listed investments	Brought forward	Additions	Gains	Carried forward
		£000	£000	£000	£000
	Group and Society				
	M & G Charifund	1,122	-	136	1,258
	McInroy & Wood HG Investment	1,231	17	60	1,308
	M & G Charifund (Committee funds)	55	-	4	59
	Total listed investments	<u>2,408</u>	<u>17</u>	<u>200</u>	<u>2,625</u>
				2017	2016
				£000	£000
	Listed investments at cost			2,123	2,106
				<u>          </u>	<u>          </u>
	Shares in subsidiary undertakings				
	Society			2017	2016
				£000	£000
	Shares in subsidiary undertakings as 31 December at cost			5	5
				<u>          </u>	<u>          </u>

The Society owns the entire ordinary share capital of The British Horse Society (Trading Company) Limited and Equestrian Qualifications GB Limited which are both incorporated in England and Wales.

THE BRITISH HORSE SOCIETY  
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12.	Debtors	Group		Society	
		2017 £000	2016 £000	2017 £000	2016 £000
	Trade debtors	210	189	129	91
	Amounts due from subsidiary	-	-	103	299
	VAT	57	153	57	153
	Other debtors	14	36	14	36
	Prepayments and accrued income	1,134	1,037	1,134	1,037
		<b>1,415</b>	<b>1,415</b>	<b>1,437</b>	<b>1,616</b>

13.	Creditors	Group		Society	
		2017 £000	2016 £000	2017 £000	2016 £000
	<b>Creditors due within one year:</b>				
	Trade creditors	516	577	511	514
	Amount due to subsidiary	-	-	5	5
	Deferred income	2,238	2,053	2,238	2,053
	Taxation and social security	89	103	89	90
	Accrued expenditure	209	255	194	252
	Other creditors	25	7	25	7
		<b>3,077</b>	<b>2,995</b>	<b>3,062</b>	<b>2,921</b>

**Creditors due after more than 1 year:**

Deferred income	323	331	323	331
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**Of the above the following will fall due:**

in 2 to 5 years:	32	40	32	40
In over 5 years:	291	291	291	291

**14. Share Capital**

The Society is a company limited by guarantee and as a result has no share capital. In the event of the Society being wound up, each person, who is a member at the time, 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 sterling.

THE BRITISH HORSE SOCIETY  
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15.	Restricted Funds Group and Society	At 1st January 2017	Income	Expenditure	Transfers between reserves	At 31st December 2017
		£000	£000	£000	£000	£000
	Access Fighting	65	3	( 3 )	-	65
	Bodynfoel Award	11	-	-	-	11
	Castration Clinics	8	13	( 6 )	-	15
	Challenge Rides	38	80	( 118 )	-	-
					-	
	Changing Lives Through Horses	56	144	( 23 )	-	177
	Elise Pilkington Trust	11	-	( 11 )	-	-
	Faith Hope and Charity	33	-	-	-	33
	Helping Horses	25	21	( 5 )	-	41
	Irene Heppell York	15	-	-	-	15
	Livery Yard Project	10	58	( 53 )	-	15
	Paths for Communities	11	32	( 6 )	-	37
	Responsible Breeding	21	-	-	-	21
	Road Safety	12	-	( 12 )	-	-
	Saddlers Training	14	3	-	-	17
	Exam Scholarships	-	-	( 12 )	12	-
	Scottish National Heritage	-	16	( 16 )	-	-
	UK CC Level 4 Alumni	13	-	( 13 )	-	-
	Welfare and Horse Rescue	8	9	-	-	17
	Year of the Horse	25	-	-	-	25
	Other funds:					
	All balances of £10,000 or less or less than £10,000 income	79	-	( 6 )	( 6 )	67
		<b>455</b>	<b>379</b>	<b>( 284 )</b>	<b>6</b>	<b>556</b>

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

Bodynfoel Award Fund and the interest thereon finances the annual award to an individual who has done the most in the previous 12 months to forward the Society's objectives.

Castration Clinics Fund was established to hold castration clinics as part of the BHS welfare programme.

Challenge Rides Fund was created for welfare assistance and training.

Changing Lives through Horses aims to improve the lives of young people who are disengaged and at risk of becoming excluded, using horses as the inspiration for change.

Elise Pilkington Charitable Trust donated towards our castration initiative, which is helping to tackle the UK Horse Crisis.

Exam Scholarships arose from specific donations in support of BHS education pathways

**15. Restricted Funds (continued)**

Faith, Hope and Charity Fund must go towards supporting Faith, Hope and Charity and 'other ponies' like them.

Helping Horses is designed to change the behaviour, through education, of people who do not look after their horses properly.

Irene Heppell York Fund was established in 2000 to provide for the welfare of aged horses in the York area.

Livery Yard Project Fund is to provide advice and support for recreational riders to keep them retained in equestrianism.

Paths for Communities Fund is for bringing equestrian routes into use.

Responsible Breeding is designed to tackle overbreeding through education.

Road Safety fund facilitates research of safety for the ridden or driven horse.

Saddlers Training Fund provides the annual grant for specific training activities held by the British Horse Society and other riding disciplines.

Scottish National Heritage grant was used to review of the use of Scotland's Great Trails.

UKCC Level 4 Alumni Fund supports candidates to further their coaching qualifications.

Welfare and Horse Rescue Fund arose from a specific legacy income in support of horse rescue.

The Year of the Horse Development Fund encourages 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.

**16. Designated Funds**

Group and Society	At 1st January 2017	Expenditure	Transfers between reserves	At 31st December 2017
	£000	£000	£000	£000
2026	20	( 3 )	-	17
Access Dedication	21	-	( 21 )	-
BHS App	60	-	( 60 )	-
BHS as an Influential Organisation	30	-	( 30 )	-
BHS on the Move	-	-	232	232
Bursaries	246	( 15 )	6	237
Capital Reserve	3,689	( 176 )	-	3,513
Castration 2015	52	( 5 )	-	47
Education Booking Online	269	( 71 )	-	198
Education PA system	-	( 5 )	5	-
Exams Relaunch	208	( 181 )	-	27
Field officer - Access	36	( 31 )	-	5
Field officer - Participation	24	( 24 )	-	-
Field Officer - Welfare	31	( 31 )	-	-
Forever for the Horse	209	( 2 )	66	273
Government Action	30	-	( 30 )	-
Horse Accident Website	20	( 11 )	-	9
IT Projects	279	( 93 )	60	246
Paths for Communities	19	-	21	40
PCM Barnes	18	-	-	18
	<b>5,261</b>	<b>( 648 )</b>	<b>249</b>	<b>4,862</b>

**16. Designated Funds (continued)**

2026 Fund facilitates the obtaining and digitising of historical map evidence, the research of historic equestrian routes and the submission of definitive map modification orders. Access Dedication Fund provided for support and acquisition of strategic bridleway access. BHS App Fund was designated to provide for a BHS mobile phone application. BHS as an Influential Organisation was established for increased presence at party political conferences and other forums. BHS on the Move fund is earmarked for the first year's commissioning, fitting out and running of a BHS branded vehicle for marketing the Society's membership and educational services. Bursaries Fund is earmarked for the support of education and training bursary activity. Capital Reserve Fund represents an amount equal to the Net Book Value of the HQ Freehold Property. Castration 2015 Fund was set aside is to deliver castration related activities. Education Booking Online Fund is for the development of our web based education offer. Education PA Fund was designated to provide an enhanced system for public address and speaking at education presentations and events. Exams Relaunch Fund is for the redevelopment of BHS qualifications. Field Officer Funds provide a visible local presence for our Access, Participation and Welfare programmes. Forever for the Horse Fund is to support tackling specific equine welfare, education and access issues as they arise. Government Action Fund provides for lobbying at national level. Horse Accident Website Fund is for the improvement of information and functionality of the Horse Accident website. IT Projects Fund is for the improvement and enhancement of IT related projects. Paths for Communities Fund is for bringing equestrian routes into use. PCM Barnes Fund is for various purposes including the renovation of library resources and support for disadvantaged children, projects and training.

**Transfers between reserves**

The unrestricted, designated and restricted funds are reviewed regularly. This exercise identifies where there is an inter relationship either within or between funds. Designated funds are subject to reclassification and review as to ongoing suitability.

**17. Other unrestricted funds**

	<b>Group</b>		<b>Society</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Charitable funds:</b>				
At 31 December 2016	3,226	2,754	3,226	2,754
Net income and expenditure	242	635	242	635
Transfers to designated and restricted funds	( 255 )	( 163 )	( 255 )	( 163 )
<b>At 31 December 2017</b>	<b>3,213</b>	<b>3,226</b>	<b>3,213</b>	<b>3,226</b>
<b>Non-charitable trading funds:</b>				
At 31 December 2016	149	10	-	-
Result for the year	( 91 )	139	-	-
<b>At 31 December 2017</b>	<b>58</b>	<b>149</b>	<b>-</b>	<b>-</b>

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

	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total funds</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fund balances at 31 December 2017 are represented by:</b>			
Intangible fixed assets	875	-	875
Tangible fixed assets	3,740	-	3,740
Fixed asset investments	2,625	-	2,625
Term deposits and current asset investments	2,582	-	2,582
Cash at bank and in hand	222	556	778
Other current assets	1,489	-	1,489
Creditors	( 3,400 )	-	( 3,400 )
<b>Total net assets</b>	<b>8,133</b>	<b>556</b>	<b>8,689</b>

**19. Financial Commitments**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>

**Operating lease commitments**

The total future minimum lease payments under non-cancellable operating leases are as follows:

**Group and Society**

Payments within one year:

Land and buildings	14	27
Plant and machinery	87	29
	<u>101</u>	<u>56</u>

Payments within two to five years:

Land and buildings	-	14
Plant and machinery	132	48
	<u>132</u>	<u>62</u>

Payments after more than five years:

Land and buildings	-	-
Plant and machinery	-	2
	<u>-</u>	<u>2</u>

**Capital commitments**

At 31 December 2017 there was a capital commitment amounting to £138,000 in respect of the commissioning of a fitted out, promotional and educational heavy goods vehicle to be launched in May 2018 and used as part of the BHS on the Move initiative.



**20. Related Party Transactions**

The British Horse Society owns 100% of the share capital of The British Horse Society (Trading Company) Limited and Equestrian Qualifications GB Limited.

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Transactions with The British Horse Society (Trading Company) Limited were as follows:		
Gift aid income	32	-
Intercompany trade and recharges	79	196
Amounts due from subsidiary	103	299

Transactions with Equestrian Qualifications GB Limited were as follows:

Gift aid income	106	-
Intercompany trade and recharges	105	183
Amounts due to subsidiary	5	6

The registered office of both subsidiaries is as follows:

Abbey Park  
Stareton  
Kenilworth  
Warwickshire  
CV8 2XZ