

THE BRITISH HORSE SOCIETY

Company Registration Number 00444742

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018



THE BRITISH HORSE SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2018

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THE BRITISH HORSE SOCIETY

CHARMAN'S INTRODUCTION

for the year ended 31 December 2018

The board of trustees, which acts as directors of the charity for the purposes of the Companies Act, present the Annual Report together with the audited financial statements for the year ended 31 December 2018. In doing so the trustees have adopted the provisions and guidance of all relevant legislation and standards.

It is always our aim, in preparing this report to give members, volunteers and every type of reader a comprehensive and informative report on the past year, the impact, breadth and depth of our work, and an indication of our strategy moving forward through 2019 and beyond.

As you read through the following pages you will become aware of so many new initiatives and ways of working in keeping with a modern, forward thinking organisation. As the pace of change and the demands on the Society increase we are also mindful of our vision, mission and values which together with our charitable objectives are the bedrock upon which our family of members, volunteers and supporters continues to grow. As this report is being finalised our membership has reached 108,000 in number for the first time, and yet we have ambition to achieve so much more. Our plans for the coming years are encapsulated in our recently published Strategic Plan Summary 2019 - 2024 which is available on the BHS website and from our headquarters.

Recent times have reminded us that we may not all agree on everything - but with the continued support of our members, the commitment and enthusiasm of our volunteers, and the energy and professionalism of our employee team there is so much strength and momentum for the Society to thrive.

Also, as we approach the trustee elections for 2019 I must thank those colleagues on the board that will be coming to the end of their terms of office for their hard work and dedication and wish to those that remain in office, and their newly elected colleagues, the very best in their endeavours.

I hope you enjoy reading about the work that we do to try to ensure that every horse is respected, protected and enjoyed by knowledgeable caring people.

Together we can achieve so much!



David Sheerin
Chairman
June 2019

THE BRITISH HORSE SOCIETY
TRUSTEES' REPORT (incorporating Strategic Report)
for the year ended 31 December 2018

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 charitable 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,
- 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.

OUR VISION

Every horse is respected, protected and enjoyed by knowledgeable, caring people.

OUR MISSION

We are the charity dedicated to knowledge, encouraging people and horses to enjoy life together.

OUR VALUES

Horses First	The horse is at the heart of all we do
One Team	We collaborate with and value our employees, members, supporters and partners
Respect	We deliver with respect, integrity, dedication and passion
Supportive	We support horses and people to enjoy life together safely
Excellence	We strive for excellence in everything we do

THE BRITISH HORSE SOCIETY

TRUSTEES' REPORT (incorporating Strategic Report) for the year ended 31 December 2018

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:

- between seven and 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 to set the direction and strategy of the charity. 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.

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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 2018 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

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

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.

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.

THE BRITISH HORSE SOCIETY

TRUSTEES' REPORT (incorporating Strategic Report)

for the year ended 31 December 2018

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 2018 is £2.4 million (2017: £3.3 million) which is greater than the operating range of £1.5 million to £2.0 million 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.

THE BRITISH HORSE SOCIETY

TRUSTEES' REPORT (incorporating Strategic Report)

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STRATEGIC REPORT

It has been another dynamic and productive year for the Society. There have been a number of entirely new initiatives implemented which have been funded in a variety of ways. For example, BHS on the Move has been financed from existing reserves, Helping Horses on the Move has been made possible by BHS winning a public vote to be awarded a capital grant, and BHS International has grown to be self funding, with any surpluses being used to further our broader charitable objectives.

BHS on the Move

Having commissioned the project in 2017 (and disclosed the commitment in the 2017 accounts) May 2018 saw the Society take delivery of a bespoke, fitted out, promotional and educational 16 tonne vehicle to be used as the vanguard of our "BHS on the Move" initiative. The vehicle allows us to take the BHS to the nations and regions for use as a mobile classroom, membership promotion resource and to provide services and information direct to members. With the aim of taking the work of the BHS out on the road "the lorry" (as it is known) visited 31 locations for between one and six days each visit in the remaining months of 2018. This programme took in the major shows, and all points of the compass from Devon to Norfolk, Glamorgan to Yorkshire, Somerset to Angus and many places in between. Providing facilities for activities as diverse as Welfare, Safety and Access training to just simply having a cup of tea the lorry also gives advertising exposure on the highways of the UK which would otherwise cost hundreds of thousands of pounds. With a capital cost of £185,000 (with ancillary equipment of around £10,000) the cost of the vehicle is being written off over 5 years. For the first full year of its operation the trustees have set aside a designated fund of £232,000 to include all on the road, support, promotional and depreciation costs. Growing in popularity, the lorry will continue to increase the reach of BHS on the Move throughout 2019.

Helping Horses on the Move

Closely aligned with our BHS on the Move initiative was the opportunity to apply for a £50,000 grant (provided by South Essex Insurance Brokers) the success of which was the subject of a vote by SEIB's customers. Our proposal won the vote and we were able to commission a 3.5 tonne vehicle designed and fitted out specifically to support our Healthcare and Education Clinics and the work of BHS Welfare generally. This has enhanced the facilities and support we are able to provide and has made this activity far more cost effective - without the need to hire in equipment on a day by day basis. The vehicle is accounted for in a restricted fund and, similar to the lorry, the capital cost is being written off over 5 years. The Fundraising and Welfare sections of this report gives further detail on this great initiative.

BHS International

We have had presence and influence internationally for many years. Centres have been approved overseas since the 1990s, for example in Hong Kong, and China in 2012 and the UAE in 2013. We have experienced an increasing demand for BHS standards from around the world in the form of BHS accreditation for riding schools, for BHS qualified coaches and for the BHS education system. In 2018 we formalised and coordinated our approach by bringing this international activity together into one cost centre to better enable the management of our overseas contracts. BHS International generates net revenues that are ploughed back into the charity and is well placed should future growth opportunities materialise.

Access

The Society submitted its response to Defra's Consultation on 'Health and Harmony: the future for food, farming and the environment in a Green Brexit'. We also joined forces with Cycling UK, the Ramblers, the Open Spaces Society, and the British Mountaineering Council to ensure that access is considered as a public good that ought to be included in the Agriculture Bill. We hosted a petition, and together with partner organisations, gained support from 12,811 people. When the Agriculture Bill was published we were pleased to see our lobbying had been effective with section 1 containing a power for the Secretary of State to give financial assistance to support public access to and enjoyment of the countryside.

The Society has now signed its funding agreement with the British Equestrian Federation in respect of Project 2026; this secures funding of £50,000 per annum for the next three years which will be match funded by the BHS from the Forever the Horse designated fund. In securing this funding the Society is now required to facilitate the submission of 2,700 definitive map modification applications over the next three years. The outcome will be to save routes from being lost forever following the 2026 cut off date. We continue to roll out our Access Field Officer programme with our second appointment covering our southern region with increased training for volunteers. Ride Out UK Month 2018 was a fantastic success and saw 2,063 riders take part in 119 rides all around the UK during which we raised over £10,000.

The new National Land Access Centre, located in the Chilterns Area of Outstanding Natural Beauty, was launched by Natural England, in partnership with The British Horse Society, Centrewire and the Pittecroft Trust. The outcome is to ensure those who usually struggle with access to the countryside can access the natural environment and enjoy England's beautiful countryside.

It has been designed to demonstrate the use, maintenance and installation of gaps, gates and stiles meeting the new British Standard for improved countryside access. The Society's Ridemaps service continues to grow as a facility for equestrians to see where they can ride. In 2018, BHS Member Graeme Bruce, from the North West region, successfully collated and recorded 70 routes into the RideMaps system, with the support of a number of other volunteers.

BHS Scotland held a well-attended equestrian access conference in Loch Lomond and the Trossachs National Park on the last day of October giving a snap shot of where equestrian access in Scotland currently is - in terms of the 15 year old access legislation. The conference was chaired by Euan McIlwraith from BBC Scotland. The keynote speech was delivered by Roseanna Cunningham, MSP and Scottish Cabinet Secretary for Environment, Climate Change and Land Reform.

With "Take the gentle path" BHS Scotland has been working with partners in the Scottish Outdoor Recreation Alliance to put in place a mediation process to help resolve problems between access takers and land managers. This provides a less formal, voluntary and cheaper and quicker way to resolution than formal enforcement. The project is currently at pilot stage but a first attempt at mediation between horse riders and land owners was facilitated by the NFU and BHS Scotland and so far seems to have reached a workable solution.

Education

We launched the modern approach to BHS career qualification at the lower level (stage 1 to 3) in autumn 2017 so 2018 saw the focus on embedding and growing the reach of the qualification. Its success was demonstrated through great feedback from candidates, assessors, and most importantly, employers. We have also seen more centres coming on board to deliver our assessment programme whether through training or assessments or both. We have seen some positive increases in numbers and the BHS has been successful in repositioning ourselves as providing the qualification that employers want.

During 2018 developmental focus shifted to three areas: Higher level qualifications (stage 4 and stage 5); Ride Leader pathway; and to a recreation pathway. Our higher level qualifications were consulted upon and the curriculum modernised with industry leaders feeding into the technical content and this will be relaunched during 2019. Our Ride Leader pathway at stage 2 and stage 3 were changed from a narrow reach of just being appropriate to the tourism market to modern qualifications appropriate to all coaches and leaders working in the industry, whether tourism or in riding schools. Again, these were piloted throughout 2018.

The biggest development output has been the creation of resources and the training of coaches for the launch of the Challenge Awards aimed at the recreational market. The new bite-sized training programme supports recreational riders in gaining horsemanship skills so they can ride and care for their horse better. In only 6 months over 600 coaches were trained and the awards are being actively delivered across the industry. Feedback to date has been very positive and the programme is being seen as exciting and fun for participants. This is a ground breaking initiative for recreational riders, especially within the riding school environment. New higher level awards are planned for 2019 with the first assessments taking place in July.

International qualifications continue to grow, allowing us to increase our income and support more UK candidates with scholarships. In 2018 the largest growth was seen in China, UAE and the USA.

Two years after the launch of Accredited Professional Coaches membership the number of coaches engaged continued to rise steadily. The tool-kit provided for coaches, beyond insurance and training, improves year on year with the sign-off of the skills record for professional assessments and the new Challenge Awards. More CPD opportunities are being accredited and BHS is maintaining its focus on life-long-learning.

The BHS expanded its delivery of National Conventions from two days to six days, and from one venue to two venues in 2018. We engaged many more participants and moved the focus from only education to supporting the whole remit of our charitable objectives with great sessions on safety, access, welfare and education. This became a great platform for coaches', volunteers' and other equine professionals' development.

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Fundraising

2018 marked a more formalised approach to fundraising with the implementation of the Fundraising Strategy. One of the key objectives is to grow the contribution from Charitable Trusts, High Net Worth Individuals and Corporate sponsorship. We have been successful in securing considerable support for Changing Lives through Horses which has helped to fund the programme and provided a beneficiary fund for participants who have been unable to secure financial provision from their Local Education Authority. Grants and gifts have also supported the making of the Virtual Reality film for Safety and contributed to the renowned Healthcare Clinics run by our Welfare team. Corporate sponsorship aided the development of our Ride Out UK initiative and Ride Safe Awards.

In 2018 South Essex Insurance Brokers launched SEIB Giving. The general public were asked to nominate a charity they would like to see win £50,000 to support a specific capital project. The BHS were successful in reaching the second stage and submitted a proposal requesting a dedicated vehicle for the Healthcare Clinics. We won the competition and in 2018 commissioned a bespoke vehicle entirely funded by this grant in order to support this vital work.

Also in 2018 Mitsubishi Motors Badminton Horse Trials selected the BHS as their Charity of the Year. This gave us the opportunity to demonstrate the depth and breadth of our work and we achieved two key objectives: namely new member recruitment with a lifetime value in excess of £100,000 and "bucket" donations of £10,000 towards our charitable work.

In November we held our inaugural Charity Race Day at Newbury. Ten riders took part in the charity race which was followed by a fundraising lunch and auction. This event raised over £20,000 for our specific campaigns.

Most charities have mature Legacy programmes which generate a significant proportion of a charity's income. To date this has not been the case for the BHS so in 2018 we commenced work on a Legacy programme to improve awareness and generate a culture of giving through this channel.

The BHS is registered with the Fundraising Regulator and follows the Code of Fundraising Practice and the Fundraising Promise. We are pleased to report that no complaints were received in 2018.

Membership

2018 saw us grow by 3,768 members to end the year with 104,818 members. This represents an annual growth of 3.73%. September saw the launch of our "What if...." recruitment campaign which saw the number of new members joining the BHS increase significantly and we remain ambitious in the rolling out of this campaign in 2019.

Through a number of strategies, including representations of Direct Debit and increased outbound calling to lapsed members we have significantly reduced our attrition rate this year to 13%.

Market research and focus groups throughout the latter half of 2018 have also given us great insight and market segmentation which will aid us in improving our membership products and offerings for the future.

Participation

The BHS Approvals scheme remains world renowned as a statement of quality assurance for the high standards of care provided to both horses and riders at approved Centres. The Scheme now covers Riding Centres, Livery Yards, Retraining Centres and Facility Centres with 20 new Centres joining in 2018. In a challenging market, nearly half of the Centres leaving the scheme were due to the closure of the Business or the Proprietor retiring. At the end of 2018 there were 720 Approved Centres against 767 Centres at the end of 2017. To support our Approved Centres and attract new Centres the Board approved a new Business Development role for Approvals which commenced in January 2019.

2018 was a great year for British Riding Clubs with six National Championship events taking place and over 5,500 competitors taking part. These events were only possible due to the hard work of our regional volunteers who put on qualifiers for each Championship in their area. We continued to work with our generous sponsors, notably NAF who sponsored two of our biggest events, the National Horse Trials Championship and the National Championships.

We also ran an extremely popular programme of training sessions for clubs and members giving BRC members access to world class coaches. The BRC Rider Magazine underwent a huge transformation in 2018 creating a fresh new look which has been well received by members and advertisers. Rider now has the second highest circulation of any equestrian magazine - with only British Horse having a higher distribution.

Safety

The Safety team has continued to build on the significant partnerships that were developed in previous years, especially with the Award winning Dead Slow campaign. This important safety campaign is aimed at improving the safety of horses on our roads. It educates drivers in how to pass horses safely but also gives safety advice and information to riders and carriage drivers as well. It has three strands, Safer Drivers, Safer Riders and Safer Horses. The safety team launched an acclaimed Dead Slow virtual reality film in Parliament in July 2018. This film enables drivers to see in full 360 vision, what it is like to ride a horse when a car passes too fast and too close, and takes drivers through a safe pass of a horse using the four Dead Slow messages. This film has been used all over the UK and has been downloaded by Road Safety Partnerships, the Police, Fire and Rescue Services and Driving Instructors. The team have held 25 Road and Rider Awareness events around the UK in 2018 for the driving community and equestrians with presentations from the Safety Team, the Police and lawyers. These events were held to inform local riders and other vulnerable road users of responsibilities and advice on how to stay safe on the roads.

In addition, we worked with police traffic units and casualty reduction teams with 'close pass' operations using plain clothes mounted police officers in incident 'hot spots' again, to educate drivers on how to pass horses safely. The Safety Team have been asked to talk at national road safety and driving instructors' conferences with a Dead Slow presentation. At the Road Safety GB Conference the Dead Slow presentation was voted the second most engaging talk. In the House of Commons on November 5th, during a Road Safety Debate, the British Horse Society was described by Jesse Norman MP, Minister of State for Transport, as a "formidable campaigning engine".

As a result of our lobbying of MPs equestrians were included in the Cycling and Walking Safety Review as vulnerable road users and will be consulted in a Highway Code review for vulnerable road users. Also in the year, the team worked with RSPCA, SSPCA and the NPCC to release a new code of conduct for dog owners encountering horses.

Cycling UK were another significant partner organisation in 2018. Following a well-publicised Triathlon event when a cyclist hit a horse during a race, a new code of conduct was published "Be Nice, Say Hi", to give all cyclists advice on how to pass horses safely. This initiative was supported by British Triathlon and British Cycling. We were also asked to speak at the RAF Station Commanders seminar to talk about the "Be Seen, Be Safe" campaign, where we work closely with the RAF to encourage all riders to wear conspicuous clothing when out riding to increase the ability of helicopter pilots to see horses on the ground and avoid overflying if they can.

There were also a number of discussions with government departments about the use of fireworks around livestock and horses. The BHS Safety team has been a key partner in the Highways England Towing Working Group, where all aspects of towing and safety are discussed and education strategies are developed.

BHS have worked for 18 months with NDORS to include our Dead Slow message in all relevant courses from November 2018. This is a real achievement for the BHS as we are recognised as vulnerable road users and with 10 million drivers attending the Speed Awareness course in the last 10 years, this is a huge audience for our safety message. 2018 has been an outstanding year in strengthening partnerships with key stakeholders and being proactive to increase the safety of all equestrians.

Welfare

In 2018 our main focus was on growing and improving communication with our aim being to help improve the welfare of even more horses through advice, support, education and proactive activities. We restructured the Welfare Department into two work streams – Welfare Education and Welfare Operations. The Welfare Education team has focussed on the faster paced development of our educational initiatives, conferences and educational materials. The Welfare Operations team has focussed on supporting our field based Welfare Officers, development of the welfare helpline, managing welfare concerns and running our passport function. The team grew and we recruited a further Welfare Field Officer, a Welfare Programme Coordinator and an additional Welfare Education Officer.

There were 1,707 new welfare concerns reported to us in 2018 which were responded to by our army of 200 volunteer Welfare Advisers. This was an increase of 43% welfare concerns compared to 2017, all our communications about our welfare work have centred on our 'here to help message' that has helped drive this increase. Our helpline was contacted for support and advice in excess of 13,000 times.

We held five more mobile Healthcare and Education Clinics and reached the milestone of treating our 1,000th horse. Horses and owners attend for a combination of different healthcare provisions at subsidised prices.

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An incredible 483 of the most at-risk horses and ponies have now been castrated throughout the course of the campaign, which was double the number we originally planned to reach out to. In 2018 alone, 288 horses attended the clinics with 141 being castrated. We do not rescue - the proactive Healthcare and Education clinics have been developed to provide education, support and advice to owners, helping to stop the continual cycle of neglect and the intention is to prevent horses from getting to the point of needing to be rescued. We target the most at risk horses and their vulnerable owners in order to achieve the most impact. This milestone 1000th horse achievement was reached on the day we introduced our new SEIB Healthcare vehicle which was funded by a £50,000 grant voted for by SEIB customers. The new vehicle will be hugely beneficial to the Healthcare and Education clinics, providing equipment such as gas rings to heat water for castration, a mini-awning to provide shelter and plenty of secure storage for the vast amount of equipment required. We now have a fit for purpose vehicle instead of having to constantly hire one. It will also ensure horses can be transported safely to and from the clinics or to veterinary hospitals if required. In the first few weeks after its arrival, the vehicle had already attended a Healthcare Clinic, a multi-agency 'Link' day, a horse weigh-in day and a BHS Open Day where we were providing dental checks and a weigh in service for horses at a BHS Approved Centre.

At Your Horse Live we launched our new equine dental health project: No Pain? Check Again! The campaign aims to raise awareness of how horses can have dental problems but they may not show they are in pain - research has shown that up to 70% of horses have undiagnosed dental problems. The campaign aims to raise awareness to ensure that owners use the right person to check their horses' teeth - this should either be a veterinary surgeon or an Equine Dental Technician Registered with the British Association of Equine Dental Technicians. A dedicated website has been set up where a copy of the guide can be downloaded.

In partnership with the University of Nottingham, we launched a new scheme; 'Vet REACT Colic Champions'. We have received great support from veterinary practices for the REACT campaign, so we wanted to recognise this and encourage other practices to become involved and help us spread the message of REACT. Within six weeks 62 equine practices joined the scheme which is designed to help raise owners' awareness of the REACT campaign and encourage them to engage with the resources and develop plans for their horse. Throughout 2019, we will provide veterinary practices with talks, REACT resources, newsletter articles and social media posts about different aspects of colic that can be used for sharing with their clients.

The Equine Wound Project was launched on 1st October in partnership with the University of Nottingham. Wounds are one of the most common emergencies that horse owners may have to deal with, but there is surprisingly limited evidence available on wound healing in horses. Therefore, it can be difficult for owners and carers to make an informed decision about what to do, including whether or not to call the vet and what, if any, topical applications should be put on to the injury. We are supporting the University of Nottingham and funding this vital research.

Our Volunteers

So many of our volunteers devote a considerable amount of time and dedication to the delivery of our charitable objectives. We value this committed ground force for their skill, knowledge and passion whether it is the furtherance of our access, safety, welfare, participation or education activities, or in the operation of our national, regional and local committees their contribution is vital.

We have estimated the value of that workload and it is in excess of £3.75 million. Our thanks go to each and every one of our 975 volunteers.

Operations and Infrastructure:

Technology

IT continue to implement industry standard processes for change management and root cause analysis to ensure more control is in place and all possibilities are considered prior to making changes to live systems - a major consideration with our growing membership and education needs. The BHS IT strategy 2019 to 2024 is written and aligned to the BHS strategic plan to ensure investment in technology is aligned to delivering the charitable aims of the society.

We have reviewed, centralised and stabilised many of our IT and technology contracts to ensure consistency, value for money and to maximise the many charity discounts that are available in the industry. We are busy implementing a new Disaster Recovery solution to provide service continuity with the lowest recovery and disruption times for the best available cost.

Marketing

In the first half of 2018, the marketing and communications team, in partnership with our colleagues in Education, worked on a campaign programme to introduce Challenge Awards to our professional coaches and approved centres. This comprised an internal launch of resource materials and some creative workplace marketing materials to explain the new recreational rider awards and to help in the positioning of them to potential end users. It was also designed to contributing to the development of a recruitment pipeline for APCs.

In the second half of the year, the marketing team launched a new membership acquisition campaign programme featuring in broadcast trade titles and throughout our digital estate.

The aim of the campaign was to establish a sales funnel, through awareness and consideration of our charity and membership proposition, which would deliver an improvement in conversions to Gold membership both online and through inbound membership telephony.

Throughout the period, our Communications team delivered the very best year in terms of media coverage for the Society. Through a regular series of pitched and reactive press stories, we ended the year with over 580 million in reach from the coverage.

Financial Report for the Year

This year's results see a clear distinction between our ongoing operations and our project based and fund based work. There is a small deficit on unrestricted funds due to a level of unbudgeted legal and professional costs - this small deficit is before the unrealised losses on investments which have tracked the negative volatility of the markets in the last quarter of 2018.

The movement on designated funds represents the planned investment in the Society's future charitable and governance activities and these are detailed in the comprehensive note 16 to the accounts. We continue to receive funds from donors and benefactors which are intended for specific purposes and these are detailed under restricted funds in note 15 to the accounts.

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 £7,981,000 (2017: £7,515,000). Expenditure on our unrestricted charitable activities grew by 5.4% to £10,427,000 (2017: £9,893,000) which corresponds with our growth in overall unrestricted income of 5.5% to £11,424,000 (2017: £10,826,000). Total expenditure is set out in detail in note 7 to the accounts.

The average number of full time equivalent employees of the Society has grown from 117 to 123 during the year - this increase is entirely engaged in delivering or supporting our charitable activities.

Future Plans

Membership growth continues to be the main future driver to fund our increasing breadth of activities, where we continue to seek appropriate partnerships and collaborations. Our ambition is to create long term, sustainable growth by attracting more members to join us and benefit from the services we provide and enable us to deliver our charitable objectives.

During 2018 we initiated a research project 'Fit for the Future' to better understand the needs of our members and identify what would attract new members. We were delighted to receive nearly 8,000 responses to our survey which provided learning across a wide range of areas and will inform future products and services and how we communicate. Fit for the Future phase II will run through 2019 and will be focused on ensuring our organisation and resources can meet the needs of our growing membership effectively and efficiently.

In keeping with our business planning cycle early 2019 saw us publish a summary of our new strategic plan for the period 2019 to 2024. This outlines our vision, our mission, our values, how we operate and our areas of focus for the coming years. The Strategic Plan Summary 2019 to 2024 is available on the BHS website.

The Trustees Report, incorporating the Strategic Report, was approved by the board on: **13 JUNE 2019**



David Sheerin
Chairman

THE BRITISH HORSE SOCIETY

DIRECTORS AND OFFICERS

PATRON: Her Majesty the Queen

VICE PATRON: Her Royal Highness the Princess Royal

PRESIDENT: Martin Clunes OBE

TRUSTEES:

Chairman:	David Sheerin - BHS Stage 5 Coach in Complete Horsemanship
Vice Chairman:	Lotta von der Heyde
Treasurer:	Martin Clemmey
	Jane Domhill
	Kirsty Handel
	Ken Law
	Sarah Simpson - BHS Stage 5 Coach in Complete Horsemanship (appointed November 2018 - co-opted)
	Diane Tranter - BHS Stage 3 Coach in Complete Horsemanship
	Christine Worthington (appointed November 2018 - co-opted)
	Sam York - FBHS (resigned August 2018)
	Loraine Young (resigned June 2018 - co - option ended)

SENIOR MANAGEMENT TEAM:

Chief Executive	Lynn Petersen (retired April 2019)
Chief Operating Officer	Sarah Phillips
Director, Finance	Duncan Snook
Director, Membership	Emma Day
Director, Education	Alex Copeland
Director, Human Resources	Alison Macdonald
Director, Welfare	Gemma Stanford
Director, Safety	Alan Hiscox
Director, Access	Mark Weston
Director, Fundraising	Tracy Casstles
Director, Business Development	Georgina Walters
Director, Marketing & Communications	Natasha Eastwood (to April 2018)
Director, Marketing & Communications	Sandra Ford (from July 2018)
Director, Technology	Paul Perkins

THE BRITISH HORSE SOCIETY
ADMINISTRATIVE DETAILS, ADVISERS AND COMPANY INFORMATION

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.

REGISTERED OFFICE AND PRINCIPAL ADDRESS

The British Horse Society
Abbey Park
Stareton
Kenilworth
Warwickshire
CV8 2XZ

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

Bates Wells & Braithwaite LLP
10 Queen Street Place
London
EC4R 1BE

INVESTMENT MANAGERS

McInroy & Wood
53 Davies Street
London
W1K 5JH

TAX ADVISERS

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

M & G Investments
Laurence Pountney Hill
London
EC4R 0HH

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE BRITISH HORSE SOCIETY

Opinion

We have audited the financial statements of The British Horse Society (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the 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 charitable company's affairs as at 31 December 2018; and of the group's and parent charitable company's incoming resources and application of resources, including their 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, regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charitable company'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 other information comprises the information included in the annual report other than the financial statements and our auditor's opinion thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report and the strategic report, prepared for the purposes of company law and included within the trustees' annual report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report and the strategic report, included within the trustees' annual report, have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF THE BRITISH HORSE SOCIETY (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report and the strategic report, included within the trustees' annual report.

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) require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 charitable company'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 charitable company 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 exclusively to the members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company'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). Our audit work has been undertaken so that we might state to the members and the charitable company'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 charitable company, its members as a body, 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: 1 July 2019

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 2018

		Unrestricted £000	Designated £000	Restricted £000	2018 Total £000	2017 Total £000
Income and endowments from:						
Donations, legacies and grants	2	100	-	313	413	380
Charitable activities:						
Membership subscriptions	3	7,981	-	-	7,981	7,515
Examinations and other fees		1,664	-	-	1,664	1,505
Events		820	-	2	822	785
Other trading activities:						
Trading income		126	-	-	126	176
Advertising		402	-	-	402	445
Commission received		62	-	-	62	53
Challenge Rides		-	-	70	70	80
Other income	4	246	-	7	253	245
Investment income	5	23	-	-	23	21
Total income		11,424	-	392	11,816	11,205
Expenditure on						
Raising funds	7	1,041	-	80	1,121	1,107
Charitable activities	7	10,427	865	211	11,503	10,700
Total expenditure		11,468	865	291	12,624	11,807
Net income/(expenditure)		(44)	(865)	101	(808)	(602)
Net (loss)/gain on investments		(148)	-	-	(148)	200
		(192)	(865)	101	(956)	(402)
Transfers between funds	15,16	(713)	700	13	-	-
Net movement in funds		(905)	(165)	114	(956)	(402)
Fund balances brought forward		3,271	4,862	556	8,689	9,091
Fund balances carried forward		2,366	4,697	670	7,733	8,689

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 2018

		Unrestricted	Designated	Restricted	2018	2017
		£000	£000	£000	Total	Total
					£000	£000
Income and endowments from:						
Donations, legacies and grants	2	148	-	313	461	518
Charitable activities:						
Membership subscriptions	3	7,981	-	-	7,981	7,515
Examinations and other fees		1,692	-	-	1,692	1,461
Events		820	-	2	822	785
Other trading activities:						
Trading income		33	-	-	33	32
Advertising		-	-	-	-	12
Commission received		62	-	-	62	53
Challenge Rides		-	-	70	70	80
Other income	4	248	-	7	255	247
Investment income	5	23	-	-	23	21
Total income		11,007	-	392	11,399	10,724
Expenditure on						
Raising funds	7	597	-	80	677	571
Charitable activities	7	10,360	865	211	11,436	10,664
Total expenditure		10,957	865	291	12,113	11,235
Net income/(expenditure)		50	(865)	101	(714)	(511)
Net (loss)/gain on investments		(148)	-	-	(148)	200
		(98)	(865)	101	(862)	(311)
Transfers between funds	15,16	(713)	700	13	-	-
Net movement in funds		(811)	(165)	114	(862)	(311)
Fund balances brought forward		3,213	4,862	556	8,631	8,942
Fund balances carried forward		2,402	4,697	670	7,769	8,631

THE BRITISH HORSE SOCIETY
BALANCE SHEETS

Company Registration No: 00444742

31 December 2018

		Group		Society	
	Notes	2018 £000	2017 £000	2018 £000	2017 £000
FIXED ASSETS					
Intangible fixed assets	9	835	878	835	878
Tangible fixed assets	10	3,676	3,737	3,676	3,737
Investments	11	2,477	2,625	2,482	2,630
		6,988	7,240	6,993	7,245
CURRENT ASSETS					
Stock		110	74	-	-
Debtors	12	1,435	1,415	1,581	1,437
Term deposits		1,619	2,582	1,619	2,582
Cash at bank and in hand		1,454	778	1,377	752
		4,618	4,849	4,577	4,771
CURRENT LIABILITIES					
Creditors due within one year	13	3,563	3,077	3,491	3,062
		1,055	1,772	1,086	1,709
NET CURRENT ASSETS					
Creditors due after more than one year	13	310	323	310	323
		7,733	8,689	7,769	8,631
REPRESENTED BY					
Restricted funds	15	670	556	670	556
Designated funds	16	4,697	4,862	4,697	4,862
Other charitable funds	17	2,402	3,213	2,402	3,213
Non-charitable trading funds	17	(36)	58	-	-
		7,733	8,689	7,769	8,631

The financial statements were approved and authorised for issue by the Board on **13 JUNE 2019**
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 2018

	2018 £000	2017 £000
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	309	(162)
Cash flows from investing activities:		
Interest from investments	23	21
Purchase of intangible fixed assets	(291)	(461)
Purchase of tangible fixed assets	(328)	(129)
Purchase of investments	(18)	(17)
Disposal of investments	18	-
Net cash (used in) investing activities	(596)	(586)
Change in cash and cash equivalents in the year	(287)	(748)
Cash and cash equivalents at the beginning of the year	3,360	4,108
Cash and cash equivalents at the end of the year	3,073	3,360
Reconciliation of net income to net cash flow from operating activities:		
Net expenditure for the year	(956)	(402)
Depreciation and amortisation	723	408
Investment income	(23)	(21)
Investment gains	148	(200)
Movement in stocks	(36)	(22)
Movement in debtors	(20)	-
Movement in creditors	473	75
Net cash provided by/(used in) operating activities	309	(162)
Analysis of changes in cash and cash equivalents	At 1st January 2018	At 31st December 2018
Cash at bank	778	676
Short term deposits	2,582	(963)
	3,360	(287)
	3,073	3,073

THE BRITISH HORSE SOCIETY
SOCIETY STATEMENT OF CASH FLOWS
for the year ended 31 December 2018

	2018		2017
	£000		£000
Cash flows from operating activities:			
Net cash provided by operating activities	<u>258</u>		<u>189</u>
Cash flows from investing activities:			
Interest from investments	23		21
Purchase of intangible fixed assets	(291)		(461)
Purchase of tangible fixed assets	(328)		(129)
Purchase of investments	(18)		(17)
Disposal of investments	18		-
Net cash (used in) investing activities	<u>(596)</u>		<u>(586)</u>
Change in cash and cash equivalents in the year	(338)		(397)
Cash and cash equivalents at the beginning of the year	3,334		3,334
Cash and cash equivalents at the end of the year	<u>2,996</u>		<u>3,334</u>
Reconciliation of net income to net cash flow from operating activities:			
Net expenditure for the year	(862)		(311)
Depreciation and amortisation	723		408
Investment income	(23)		(21)
Investment gains	148		(200)
Movement in debtors	(144)		179
Movement in creditors	416		134
Net cash provided by operating activities	<u>258</u>		<u>189</u>
Analysis of changes in cash and cash equivalents	At 1st		At 31st
	January		December
	2018	Cash flows	2018
Cash at bank	752	625	1,377
Short term deposits	2,582	(963)	1,619
	<u>3,334</u>	<u>(338)</u>	<u>2,996</u>

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
Commercial vehicles:	5 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 2018

	Group		Society	
	2018	2017	2018	2017
	£000	£000	£000	£000
2. Donations, legacies and grants				
Donations received include:				
Sir Peter O'Sullivan Charitable Trust	80	-	80	-
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
C S Heber-Percy	10	20	10	20
K B W Wickham	-	20	-	20
Qualifying donations from subsidiaries	-	-	48	138
Legacies received include:				
K Elliott	10	-	10	-
E Ord	-	18	-	18
M Wynne Baxter	-	14	-	14
A A Child	-	14	-	14
Grants received include:				
South Essex Insurance Brokers	50	-	50	-
Petplan Charitable Trust	43	-	43	-
British Equestrian Federation	8	51	8	51
Worshipful Company of Saddlers	22	22	22	22
Scottish National Heritage	-	16	-	16
Donations, legacies and grants (all less than £10,000)	190	123	190	123
	413	380	461	518

	Group		Society	
	2018	2017	2018	2017
	£000	£000	£000	£000
3. Membership income				
During the year ended 31 December membership subscriptions after provision for deferred life membership income were:	7,113	6,741	7,113	6,741
In the same period, gift aid was claimed amounting to:	868	774	868	774
	7,981	7,515	7,981	7,515

THE BRITISH HORSE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

4.	Other income	Group		Society	
		2018 £000	2017 £000	2018 £000	2017 £000
	Other (includes consultancy, service charges and miscellaneous items)	182	175	182	175
	Rental income	71	70	73	72
		<u>253</u>	<u>245</u>	<u>255</u>	<u>247</u>

5.	Income from investments	Group		Society	
		2018 £000	2017 £000	2018 £000	2017 £000
	Income from listed investments	-	4	-	4
	Interest receivable	23	17	23	17
		<u>23</u>	<u>21</u>	<u>23</u>	<u>21</u>

6. Subsidiary Companies

The Society has two wholly owned trading subsidiaries, which are incorporated in England. The British Horse Society (Trading Company) Limited (company registration 02644832) undertakes the trading activities of the Society and Equestrian Qualifications GB Limited (company registration 5679140) 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:

	2018 £000	2017 £000
The British Horse Society (Trading Company) Limited		
Turnover	534	577
Less: Cost of sales	537	537
Result for the year	(3)	40
Qualifying donation to parent charity	41	32
Assets	315	175
Liabilities	302	119
Net funds	13	56
Equestrian Qualifications GB Limited		
Turnover	53	195
Less: Cost of sales	95	188
Result for the year	(42)	7
Qualifying donation to parent charity	7	106
Assets	4	12
Liabilities	46	5
Net funds	(42)	7

The board of trustees do not envisage any circumstances that may lead to any material uncertainties related to events or conditions that may cast significant doubt about the ability of either subsidiary to continue as a going concern.

The charity will continue to support each subsidiary for the benefit to the parent in terms of raising funds and regulatory compliance.

THE BRITISH HORSE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

7. Analysis of total expenditure

Group	Activities undertaken directly £000	Support costs £000	Designated funds £000	Restricted funds £000	Total 2018 £000
Expenditure on raising funds in 2018					
Fundraising, trading, cost of goods and other costs	853	188	-	80	1,121
Expenditure on charitable activities in 2018					
Membership services	2,791	1,245	305	12	4,353
Training, examinations and approvals	2,388	1,320	253	75	4,036
Safety, Access and Welfare	724	774	162	116	1,776
Events	943	242	145	8	1,338
Total charitable activities	6,846	3,581	865	211	11,503
Total expenditure	7,699	3,769	865	291	12,624

Society	Activities undertaken directly £000	Support costs £000	Designated funds £000	Restricted funds £000	Total 2018 £000
Expenditure on raising funds in 2018					
Fundraising, trading, cost of goods and other costs	409	188	-	80	677
Expenditure on charitable activities in 2018					
Membership services	2,791	1,246	305	12	4,354
Training, examinations and approvals	2,322	1,319	253	75	3,969
Safety, Access and Welfare	723	775	162	116	1,776
Events	943	241	145	8	1,337
Total charitable activities	6,779	3,581	865	211	11,436
Total expenditure	7,188	3,769	865	291	12,113

THE BRITISH HORSE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

7. Analysis of total expenditure (continued)

Group	Activities undertaken directly £000	Support costs £000	Designated funds £000	Restricted funds £000	Total 2017 £000
Expenditure on raising funds in 2017					
Fundraising, trading, cost of goods and other costs	785	197	-	125	1,107
Expenditure on charitable activities in 2016					
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
Total charitable activities	6,372	3,521	648	159	10,700
Total expenditure	7,157	3,718	648	284	11,807

Society	Activities undertaken directly £000	Support costs £000	Designated funds £000	Restricted funds £000	Total 2017 £000
Expenditure on raising funds in 2017					
Fundraising, trading, cost of goods and other costs	249	197	-	125	571
Expenditure on charitable activities in 2016					
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
Total charitable activities	6,336	3,521	648	159	10,664
Total expenditure	6,585	3,718	648	284	11,235

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
Group and Society 2018						
Management	30	195	207	121	38	591
Finance	13	87	92	54	17	263
Technology and infrastructure	67	444	471	276	86	1,344
Facilities	22	145	154	91	28	440
Human Resources	16	106	112	66	21	321
Marketing and communications	40	268	284	166	52	810
	188	1,245	1,320	774	242	3,769
Group and Society 2017						
Management	29	191	211	98	29	558
Finance	16	101	111	52	16	296
Technology and infrastructure	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
	197	1,269	1,399	656	197	3,718

Included in total costs above are Governance Costs of £141,776 (2017: £126,871) which include Chairman, Trustee and CEO expenses of £19,749 (2017: £21,242) and Legal, professional and audit fees of £122,027 (2017: £105,629).

	Group		Society	
	2018 £000	2017 £000	2018 £000	2017 £000
Total expenditure includes:				
Auditors remuneration				
for audit work	18	21	15	18
for non-audit work	3	11	3	11
Operating leases				
for land and buildings	29	27	29	27
for plant and machinery	89	53	89	53

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.

	2018 £	2017 £
Group and Society		
The cost of travel and subsistence reimbursed to 12 (2017:11) trustees during the year amounted to:	13,020	9,512
Chairman's remuneration:		
D Sheerin	7,809	7,656
Trustees were paid fees for examinations and other services as follows:		
D Sheerin	385	104
S Simpson	2,345	-
F Hodges	-	7,036
D Tranter	-	97

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 £981,004 (2017: £927,359)

Staff Costs	2018 £000	2017 £000
Group		
Salaries and wages	3,666	3,468
Social security costs	356	325
Pension costs	204	180
Other employee costs and benefits	101	100
	4,327	4,073

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 there were no redundancy or termination payments to leavers (2017:£70,306).

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

	2018	2017
£120,001 to £130,000	1	1
£80,001 to £90,000	1	-
£70,001 to £80,000	4	3
£60,001 to £70,000	1	2

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 £53,688 (2017: £50,342) was contributed to a defined contribution pension scheme for the 7 (2017: 6) employees whose emoluments exceeded £60,000.

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

	2018	2017
Charitable activities	119	112
Raising funds	4	5
	123	117

9. Intangible Fixed Assets

Group and Society	Education Software £000	Membership Software £000	Other IT related Projects £000	Total £000
Cost				
At 31 December 2017	329	375	422	1,126
Additions	292	31	5	328
At 31 December 2018	621	406	427	1,454
Amortisation				
At 31 December 2017	86	77	85	248
Charge for the year	-	197	174	371
At 31 December 2018	86	274	259	619
Net Book Values				
As at 31 December 2018	535	132	168	835
As at 31 December 2017	243	298	337	878

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.

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10. **Tangible Fixed Assets**

Group and Society	Motor Vehicles £000	Freehold Property £000	Computer Equipment £000	Fixtures & Fittings £000	Total £000
Cost					
At 31 December 2017	56	4,707	1,384	309	6,456
Additions	193	-	6	92	291
Disposals	-	-	-	-	-
At 31 December 2018	249	4,707	1,390	401	6,747
Depreciation					
At 31 December 2017	6	1,192	1,219	302	2,719
Charge for the year	33	180	98	41	352
Disposals	-	-	-	-	-
At 31 December 2018	39	1,372	1,317	343	3,071
Net Book Values					
As at 31 December 2018	210	3,335	73	58	3,676
As at 31 December 2017	-	3,515	165	7	3,737

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.

THE BRITISH HORSE SOCIETY
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11. Fixed Asset Investments

	Group		Society	
	2018	2017	2018	2017
	£000	£000	£000	£000
Listed investments	2,477	2,625	2,477	2,625
Shares in subsidiary undertakings	-	-	5	5
	<u>2,477</u>	<u>2,625</u>	<u>2,482</u>	<u>2,630</u>

Listed investments	Brought forward £000	Additions £000	Disposals £000	Gains/ (Losses) £000	Carried forward £000
Group and Society					
M & G Charifund	1,258	-	-	(111)	1,147
McInroy & Wood HG Investment	1,308	18	(18)	(29)	1,279
M & G Charifund (Committee funds)	59	-	-	(8)	51
Total listed investments	<u>2,625</u>	<u>18</u>	<u>(18)</u>	<u>(148)</u>	<u>2,477</u>

	2018 £000	2017 £000
Listed investments at cost	2,134	2,123
Shares in subsidiary undertakings		
Society	2018 £000	2017 £000
Shares in subsidiary undertakings as 31 December at cost	5	5

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.

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12.	Debtors	Group		Society	
		2018	2017	2018	2017
		£000	£000	£000	£000
	Trade debtors	205	210	75	129
	Amounts due from subsidiary	-	-	277	103
	VAT	52	57	52	57
	Other debtors	6	14	6	14
	Prepayments and accrued income	1,172	1,134	1,171	1,134
		1,435	1,415	1,581	1,437

13.	Creditors	Group		Society	
		2018	2017	2018	2017
		£000	£000	£000	£000
	Creditors due within one year:				
	Trade creditors	794	516	783	511
	Amount due to subsidiary	-	-	-	5
	Deferred income	2,363	2,238	2,363	2,238
	Taxation and social security	110	89	107	89
	Accrued expenditure	296	209	238	194
	Other creditors	-	25	-	25
		3,563	3,077	3,491	3,062

Creditors due after more than 1 year:

Deferred income	310	323	310	323
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Of the above the following will fall due:

in 2 to 5 years:	36	32	36	32
In over 5 years:	274	291	274	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 2018	Income	Expenditure	Transfers between reserves	At 31st December 2018
	£000	£000	£000	£000	£000
2026 Sport England	-	12	(13)	1	-
Access Fighting	65	1	(6)	-	60
Bodynfoel Award	11	-	-	-	11
Challenge Rides	-	108	(108)	-	-
Changing Lives Through Horses	177	116	(64)	7	236
Faith Hope and Charity	33	-	-	-	33
Healthcare Clinics	15	27	(2)	-	40
Helping Horses	41	12	(17)	-	36
Helping Horses on the Move	-	50	(3)	-	47
Irene Heppell York	15	-	(2)	-	13
Livery Yard Project	15	-	(2)	-	13
Paths for Communities	37	14	(8)	-	43
Responsible Breeding	21	-	-	-	21
Road Safety	-	-	-	-	-
Saddlers Training	17	21	(17)	-	21
Virtual Reality Project	-	25	(25)	-	-
Welfare and Horse Rescue	17	-	-	-	17
Year of the Horse	25	-	(10)	-	15
Other funds:					
All balances of £10,000 or less or less than £10,000 income	67	6	(14)	5	64
	556	392	(291)	13	670

2026 Sport England Fund is a grant aided programme to achieve the mapping and preservation of historic routes and the safeguarding of bridleways for the benefit of equestrians and the general public.

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.

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.

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

Healthcare Clinics (formerly Castration Clinics) Fund was established to hold clinics as part of the BHS welfare programme.

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15. Restricted Funds (continued)

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

Helping Horses on the Move fund is a bespoke horse welfare vehicle funded by a grant from South Essex Insurance Brokers against which the depreciation of the vehicle is charged.

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.

Virtual Reality Project funded by Petplan Charitable Trust financed a full 360 degree virtual reality film to promote and assist the Dead Slow Campaign.

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 2018	Expenditure	Transfers between reserves	At 31st December 2018
	£000	£000	£000	£000
Access 2026	17	(1)	(2)	14
BHS App	-	-	-	-
BHS on the Move	232	(175)	-	57
Bursaries	237	(17)	(14)	206
Capital Reserve	3,513	(180)	-	3,333
Development Fund	-	(22)	150	128
Education Booking Online	198	-	275	473
Exams Relaunch	27	(27)	-	-
Field officer - Access	5	(5)	-	-
Fit for the Future	-	(37)	60	23
Forever for the Horse	273	(52)	(9)	212
Governance Special Projects	-	(74)	100	26
Government Action	-	(8)	30	22
Healthcare Clinics	47	(22)	-	25
Horse Accident Website	9	-	-	9
IT Projects	246	(142)	-	104
Paths for Communities	40	(4)	-	36
PCM Barnes	18	-	-	18
Shows development/Charity of the Year	-	(99)	110	11
	4,862	(865)	700	4,697

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. BHS on the Move fund was 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.

Education Booking Online Fund is for the development of our web based education offer. 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. Governance Special Projects is set aside for trustee driven governance and compliance initiatives.

Government Action Fund provides for lobbying at national level. Healthcare Clinics (formerly Castration 2015) Fund was set aside is to deliver castration related activities.

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.

Shows Development/Charity of the Year Fund was set aside to enhance the BHS's presence at major shows and to capitalise on the BHS's status as Charity of the Year at the 2018 Badminton Horse Trials.

Transfers between reserves

The unrestricted, designated and restricted funds are reviewed regularly by senior management and trustees. 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.

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for the year ended 31 December 2018

17. Other unrestricted funds

	Group		Society	
	2018	2017	2018	2017
	£000	£000	£000	£000
Charitable funds:				
At 31 December 2017	3,213	3,226	3,213	3,226
Net income and expenditure	(98)	242	(98)	242
Transfers to designated and restricted funds	(713)	(255)	(713)	(255)
At 31 December 2018	2,402	3,213	2,402	3,213
Non-charitable trading funds:				
At 31 December 2017	58	149	-	-
Result for the year	(94)	(91)	-	-
At 31 December 2018	(36)	58	-	-

18. Analysis of group net assets between funds

	Unrestricted funds	Restricted funds	Total funds
	£000	£000	£000
Fund balances at 31 December 2018 are represented by:			
Intangible fixed assets	835	-	835
Tangible fixed assets	3,676	-	3,676
Fixed asset investments	2,477	-	2,477
Term deposits and current asset investments	1,619	-	1,619
Cash at bank and in hand	784	670	1,454
Other current assets	1,545	-	1,545
Creditors	(3,873)	-	(3,873)
Total net assets	7,063	670	7,733

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19. Financial Commitments

	2018	2017
	£000	£000
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	28	14
Plant and machinery	78	87
	<u>106</u>	<u>101</u>

Payments within two to five years:

Land and buildings	-	-
Plant and machinery	55	132
	<u>55</u>	<u>132</u>

Payments after more than five years:

There are no payments due after more than five years.

Capital commitments

There were no capital commitments at 31 December 2018.

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.

	2018	2017
	£000	£000
Transactions with The British Horse Society (Trading Company) Limited were as follows:		
Gift aid income	41	32
Intercompany trade and recharges	93	79
Amounts due from subsidiary	236	103

Transactions with Equestrian Qualifications GB Limited were as follows:

Gift aid income	7	106
Intercompany trade and recharges	28	105
Amounts due from subsidiary	41	5

The registered office of both subsidiaries is as follows:

Abbey Park
 Stareton
 Kenilworth
 Warwickshire
 CV8 2XZ