

THE BRITISH HORSE SOCIETY

(Company Registration Number 00444742)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



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CHAIRMAN'S INTRODUCTION

The board of trustees, which also acts as the board of directors for the purposes of the Companies Act, presents the Society's Annual Report together with the audited financial statements for the year ended 31 December 2019. In doing so the trustees have adopted the provisions and guidance of all relevant legislation and standards.

Traditionally, this report is presented to give members, volunteers and every interested reader a comprehensive and informative report on the past accounting year; the impact and coverage of the charity's work, and an indication of our strategy moving forward through 2020 and beyond. This year, however, this report's preparation, the activities of the equine industry and indeed the whole country have proceeded under the unheralded, oppressive uncertainty of the COVID 19 pandemic and the lockdown we all found ourselves in from March 2020. The Society is fortunate that it has been able to draw upon its resources and reserves to not only weather the storm for however long it may be necessary to, but also to offer help, guidance and tangible support for our many members, coaches, riding schools and other stakeholders in the most challenging times in BHS's history. By necessity, this 2020 phenomenon must be referred to in this our 2019 Annual Report, and appropriately, there is a section on our COVID 19 response within the strategic report. I am immensely proud of how the BHS has responded to the pandemic, how we have dug deep and found resilience driven by a common love of the horse, the Society, its purpose and its values.

However, we must also report on the events of 2019. The sheer breadth, volume and impact of our work is outlined in the Trustees and Strategic Report contained herein. In celebrating our achievements, we must also remember a year of change and of challenge. April saw the retirement of Lynn Petersen as CEO. Lynn stewarded the Society through an unprecedented period of growth in membership and we wish her a happy retirement. We welcomed James Hick as Lynn's successor in December. We have already benefited from James' calm, determined brand of leadership in these chaotic times. Like all of us, James must have had very different plans for 2020.

Last year the BHS's governance came under intense scrutiny from a small group of members. We experienced two general meetings – one of which was planned to implement some reforms to the constitution (which was indefinitely adjourned in January) and the second which was requisitioned for an ultimately unsuccessful vote of no confidence which took place in June 2019. Subsequently, the board, including three newly elected trustees, a new chairman and a new CEO took on the task of moving the Society into a new era. This has very much included strengthening the listening capability of the Society and ensuring that all voices whether they be members, volunteers or employees are heard. I hope that you can already see these changes being of benefit in the way the Society goes about its business. Our thanks must go to our outgoing board members, and my predecessor as chair, David Sheerin, for their service and resolve in giving the current board such a strong platform to build on. Also, as we approach the trustee elections for 2020 I must thank those colleagues on the board who will be coming to the end of their term of office, and wish those that remain in office, and their newly elected or re-elected colleagues the very best in their endeavours.

As you read the following pages you will become aware of new ways of working that have served us well in the current crisis. I also hope you will recognise a confident, forward thinking organisation, striving to improve through initiatives such as our Fit for the Future programme. With the continued support of our members, the commitment of our volunteers, and the professionalism and energy of our executive team we can achieve so much to ensure that every horse is respected, protected and enjoyed by knowledgeable, caring people. It is more important now than it has ever been.



Tim Lord, Chairman
September 2020

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TRUSTEES' REPORT AND STRATEGIC REPORT

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

Article 2 within the Society's Articles of Association outline the following charitable objectives:

- 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.

For the purpose of the Society's objectives and activities, horse 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 and 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

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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.

Board Committees

The Society's Articles make provision for three committees with specific rules for their composition, remit and the frequency of meetings:

- Finance Committee
- Audit Committee
- Nomination Committee

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

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.

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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. The register is made available for inspection to the Society's auditors. During 2019 the Trustees recognised the following principal risks:

- A significant decline in income due to either internal or external factors
- A major outbreak of an equine disease which may adversely affect members' ability or influence their choice to remain in membership
- Reductions in membership if membership services and benefits are not maintained, or their perceived value is diminished

Disclosure of Information to Auditor

The Board engage an independent firm of auditors and so far as the trustees are aware there is no relevant audit information of which the charitable company's auditor is unaware, and 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.

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. Further detail is provided in the Going Concern accounting policy on page 26.

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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.

Investment Policy

The trustees reviewed and revised the Investment Policy during the year and the key components of the policy are as follows:

- The overall objective is to maintain and grow the purchasing power of the portfolio assets with reference to the Reserves Policy
- The trustees adopt a medium level of risk, with an unwillingness to tolerate permanent losses but with an understanding that target returns may lead to a degree of volatility and short-term fluctuations in value
- The majority of investments should be readily realisable, liquid and traded on recognised exchanges
- The assets are expected to be well diversified by class and geographical spread
- Investment managers are instructed to assess each investment as to its ethical and reputational suitability for inclusion in the Society's portfolio.

Reserves Policy

The management of the Society's reserves is an integral part 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 2019 is £2.5 million (2018: £2.4 million) which is greater than the operating range of £1.5 million to £2.0 million required to be maintained by the trustees.

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It is true that 2019 was a year of growth for the Society, not only in terms of members but also in the wide range of activities that further our charitable aims. The following pages comment on these activities in the normal way with a measure of impact, by department and identifying beneficiary groups where appropriate. Also, as mentioned in the Chairman's Introduction there is a section on the impact of the COVID 19 pandemic and our response as an organisation, our work on behalf of the industry and our support for our members and stakeholders.

Access

The Society continued to invest in delivering its Access charitable objectives during 2019, appointing an additional Access Field Officer for the South Region and a Volunteer Coordinator for our 280 Access Officers.

The 2026 deadline continues to loom, and the challenge of recording unrecorded historical routes is a challenge that the British Horse Society is rising to. In 2019 we submitted 409 applications across England to secure these routes for future generations to use. We continue to lobby for a 5-year extension to the 2026 cut-off date and continued to highlight the issue to a wider public audience with features during the year on programmes such as BBC Breakfast and BBC Politics East. The task of keeping bridleways and byways in usable condition never goes away. Our Access and Bridleway Officers and affiliated Equestrian Access Groups continue to rise to the challenge and improve equestrian access in their areas. We continue to support all our officers and in 2019 we trained 137 people across 20 sessions. The successful introduction of video conference training improved the accessibility of our training.

On the lobbying front, we fought for the Agriculture Bill to recognise 'access' as a public benefit, so that landowners can be recognised when they provide new access for equestrians. We made representations to MPs regarding the Active Travel Westminster Hall debate (in July) and produced a template for members and Access officers to lobby their MP. This resulted in statements from MPs reinforcing the point that equestrians need to be considered when Active Travel routes are being provided. Our lobbying of Cyfoeth Naturiol Cymru, Natural Resources Wales (NRW) has borne fruit with the signing of our Concordat with them, to promote greater equestrian access across NRW land.

Ride Out UK has grown once again, with thousands taking part, 11 National Trust rides and over £36,000 being raised for our Paths for Communities Fund which improves, protects and extends off-road routes. In fact, the Paths for Communities Fund progressed 18 applications and during the year 5 schemes were implemented and opened for use. In July we were honoured to have the Princess Royal visit one of our newly improved routes at Faulkland in Somerset. A perfect example of participation leading to access improvements.

Our BHS in Scotland access team of almost 40 volunteers engaged with local authorities on development matters and with forestry bodies in improving and extending the equestrian access network. As the right of responsible access is general, we concentrated on sharing paths with other users and worked with the Outdoor Access Design Guide, and other recreational bodies to improve etiquette. We produced a video with Mountain Biking in Scotland on sharing forest tracks that was very well received. Climate emergency is leading to an almost overwhelming number of forest plans to consult on, which has led to a focused programme of work.

Clearly the need for executive resource has grown in recent times and to address this we recruited 4 new Field Officers in early 2020 and recognising that our ability to interact with government is an increasing necessity we are looking to raise our lobbying capability going forward.

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Education

Our career pathways, which take our candidates through our stage qualifications, continued to be embedded across the sector during 2019. We are seeing a growth at the introductory end of the pathways and receiving positive feedback from the industry – always a good indicator. During the year we also launched the first of our higher-level assessments at Stage 4.

The pace of recreational training through the Challenge Awards has been very fast during the year. Formally launched to our members in April, we have seen thousands of participants taking up the Challenge Award training in the early months of the programme. Then, in the Autumn of 2019 we launched an extension to the Challenge Awards, our higher-level platinum recreational award. This has been received very positively with more experienced horse owners. We delivered 5 conventions during 2019, across the UK and Ireland. Reaching more delegate than ever before. These conventions helped promote all elements of the charity's objectives: access; education; welfare; and participation. During 2019 we saw a measured increase in our international activity, with growth in candidates in China and the Middle East providing a return to the Society.

Fundraising and Associated Initiatives

In 2019 we continued the implementation of the Fundraising Strategy. One of the key objectives is to grow the contribution from Charitable Trusts and Granting Bodies. We have been successful in securing considerable support for the Changing Lives through Horses programme and established a beneficiary fund for participants who have been unable to secure financial provision from their Local Education Authority.

We secured a grant from the Warwickshire Police and Crime Commission for £40,000 to develop an innovative interactive road safety video aimed at young drivers. It has been developed to improve their understanding of vulnerable road users and the consequences good and bad driving can have. The film uses gaming technology which engages the young drivers through a medium that appeals to them to reinforce these essential messages.

Working with Knowlton Parish Council and using £15,000 granted by Veolia Environmental Trust we facilitated essential work on an unsafe bridleway in Horton Heath. An example of the great work a willing partnership can achieve.

In November we held our second Charity Race Day at Newbury. Eleven riders took part in the charity race which was followed by a fundraising lunch and auction. This event raised over £25,000 to enhance our vital campaign work.

During 2019 we worked in partnership with the RSPCA to place some of the 6,000 rescued horses in the UK into BHS approved centres in order to rehome, rehabilitate and train them. Our centres are uniquely skilled to deal with some of the most challenging cases. We have utilised some funds from the long-established Faith, Hope and Charity restricted fund to support this work in conjunction with our Changing Lives through Horses initiative which is also reported on under the Participation section of this report.

Most notably in the second half of the year we have launched our Legacy Campaign and developed a film and brochure to support this important area of Fundraising. As part of a longer-term strategy we have held a series of events to let our supporters know how important a gift in their will could be to the charity's vital work. The British Horse Society is registered with the Fundraising Regulator and follows the Code of Fundraising Practice and the Fundraising Promise, with no complaints arising in 2019.

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Membership

2019 was another year of growth in membership. We ended the year with 108,355 members, 5% up on the previous year. In keeping with memberships of our scale we routinely check and validate our data which assists our communications with members and helps us inform our membership of the wide range of benefits and information on offer.

Despite the commercial tensions growing around Brexit throughout the year we were able to enhance our offer to members and even managed to ensure continuity with our members in the Republic of Ireland when hard/soft border discussions were at their most challenging. Our Gold membership package added the benefit of being able to undertake our Challenge Awards and provided access to a new legal helpline service. A significant result on behalf of horse owners and riders during a time of uncertainty. Our Silver membership package saw the highest percentage growth as a new member benefit was added giving access to our Challenge Awards. Also, throughout the year we made a concerted effort to grow the number of eligible members with gift aid declarations which led to an increase in Gift Aid revenue of over £330,000.

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. 2019 saw the introduction of a new Business Development Manager and a small executive team to work with our Centres to identify areas for increased support. This has resulted in improved communication and access to online business advice. We have also increased our parliamentary lobbying for a review of Business Rates for equestrian establishments in England.

The Society is proactive in the provision of Safeguarding for Centres and Accredited Professional Coaches and, significantly, a new course was developed and delivered in 2019 which incorporates mental health for the first time. The Society has also initiated a review of the BHS Equality Policy to ensure compliance with the Equality Standard for Sport Foundation Level Criteria.

The Changing Lives through Horses (CLTH) initiative continues to grow. In 2019 we trained and supported 50 Approved Centres to enable them to offer the programme to disengaged young people. We are working with a further 19 Centres to bring them on board. Over 250 participants have accessed the programme to date with the majority returning to full time education. The Changing Lives through Horses programme has also been working with the RSPCA to rehome rescue ponies to CLTH Approved Centres with 26 ponies being rehomed. All this is hugely beneficial to the ponies, the participants and the Centres and will continue into 2020.

Nationally and regionally our managers ran over 1,000 events across the UK, including residential camps, lectures and demos, training days and educational talks. The highlights for many were the Ride Out UK pleasure rides which gave members the opportunity to ride or drive across our beautiful countryside and National Trust estates whilst raising money for local access projects.

The Regional and National Managers are supported by our amazing Volunteers who work with us across Access, Welfare, Safety and Events, and without whom we could not achieve all that we do. In 2019 we introduced our Event Health and Safety training which has been hugely successful with 156 volunteers trained in the year. This initiative has assisted both our legal and moral obligation to train and support committee members that are organising activities on our behalf.

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British Riding Clubs (BRC) had another great year with over 21,800 entries at qualifiers and 4,850 entries at Championships. The new Arena Eventing Championship was introduced as a direct result of member feedback and attracted over 450 riders, competing on courses from 70cm to 100cm. This brings our total number of National Championships to seven. Member feedback also resulted in the introduction of our BRC rider leagues. These cover a variety of criteria, including grassroots, BS and BE leagues. This has been a very popular way to engage with members who we don't see at our National Championships and has included some very successful partnering with the other disciplines.

Safety

In 2019 the Safety team continued to build on the partnership working that has been developed with key stakeholders in recent years. The award winning Dead Slow campaign is now a well-recognised safety campaign in the road safety environment. This important 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 has used a bespoke virtual reality film at major car and motorbike shows, such as Goodwood Revival and Isle of Man TT to engage drivers. The 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. It has been used all over the UK in 2019 by Road Safety Partnerships, the Police, Fire and Rescue Services and Driving Instructors.

We have held 29 Road and Rider Awareness events around the UK in 2019 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.

We continue to work with police traffic units and casualty reduction teams with 'close pass' operations using plain clothes mounted police officers in incident 'hot spots', all with the aim to educate drivers on how to pass horses safely.

In October the 'Henry the Horse' initiative was launched in two primary schools in Essex. This interactive project is to inform 9- and 10-year-old children how to walk or cycle safely past horses. It also gives the Dead Slow messages to parents. This initiative is being evaluated by ROSPA and has had superb reviews from parents, head-teachers and school children.

The Safety Team has been instrumental in two forums, the APPG for Towing and Highways England Towing Group in educating equestrians on how to tow safely and now has important partners in this field. In late 2018, The British Horse Society was described by Jesse Norman MP, Minister of State for Transport, as a "formidable campaigning engine" we have made every effort to ensure we are still worthy of the description.

Welfare

In 2019 we continued to educate and inform the industry on equine welfare issues. Our focus was on improving the quality and breadth of our communication with members and all equestrians to ensure the welfare and well-being of even more horses through advice and support. The Welfare Education team has concentrated on the faster paced development of our educational initiatives, conferences and educational materials, supporting our field-based Welfare Officers, development of the welfare helpline, managing welfare concerns and running our passport function.

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There were 1,312 new welfare concerns reported to us in 2019 which were dealt with by our team of 200 volunteer Welfare Advisers. This was a decrease of 22% welfare concerns compared to 2018. All our communications about our welfare work have centred on our 'here to help message' that has helped drive this response. Our helpline was contacted for support and advice in excess of 13,000 times. We increased our number of mobile Healthcare and Education Clinics to 6 in 2019. These clinics have resulted in the treatment of 1,271 horses. Horses and owners attend for a combination of different healthcare provisions at a subsidised cost.

In terms of combatting overbreeding, 586 of the most at-risk horses and ponies have now been castrated throughout the course of the campaign, which is over double the number we originally planned to reach out to. In 2019, 254 horses attended the clinics with 86 being castrated. Although 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 potential continual cycle of neglect. Our 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.

The Welfare team continue to attend key events and engage with an increasingly wider audience. For example, Your Horse Live, HOYS, and especially Hickstead which featured a "Welfare Warrior" stand where over 700 people visited to learn about our work. These well attended shows and organised events enable us to spread our educational messages to many more equestrians. For example, the first Colic awareness week was held in April with a 600% rise in visits to our website page and a 600,000 reach on Social Media platforms.

The Equine Wound Project was initiated in 2018 and its first stage ran until late 2019. This project, in partnership with the University of Nottingham, had over 1000 responses to our survey. This vital research will continue and be published in 2020.

Our Volunteers

Our fantastic team of volunteers devote their time, knowledge and expertise to the delivery of our charitable objectives. As our number of registered volunteers approaches 1,000, we are grateful for their immense contribution to our access, education, participation, safety and welfare activities. We estimate the value per annum of that tremendous workload, were it to be sourced commercially, to be in the region of £4 million.

Operations and Infrastructure

The Society supports the charitable aims by engaging skilled and experienced employees, with specialisms, as well as equine knowledge, and the potential to learn. In 2019 we provided 1,100 hours' worth of learning and development opportunities covering 12 main training areas. We have also developed a robust recruitment and on-boarding process. In 2019 we saw a further drop in the Society's attrition figure to 16% which compares well with national benchmarks for charities.

Through our values-based approach we have created and rolled out a new performance development review system and launched an employee engagement platform. We are committed to embedding our values and monitoring our progress and we therefore carry out employee surveys throughout the year, supported by a third party which ensures anonymous participation as well as the ability to benchmark against similar organisations. During 2019 the employee engagement survey score rose significantly.

We actively promote wellbeing in the workplace, supported by trained Mental Health First Aiders. The Society's benefit package supports mental health, physical health and financial health.

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We provide a choice of employee assisted programmes which include family health benefits. We are committed to providing a programme of healthy activities including Health Weeks each year. Every initiative gives us greater access to information and guidance that is relevant to supporting not only our employees but also our wider team.

The Technology team were busy in 2019 implementing the first year of the business aligned IT strategy (2019 to 2024) which involved ensuring all business systems are no more than one major release behind the latest, involving a number of upgrades delivered with no interruption to the services provided to our staff and members. In preparation for the next phase of technology refresh the team began the move to 'Cloud' technology. During the year we also added the required skills into the team to deliver future elements of the strategy. With the continuing focus on ensuring technology is delivered in the most cost-effective way, there has been a wholesale review of contracts which has allowed us to continue to achieve our technological aims without a significant increase in costs to date.

Fit for the Future

Our Fit for the Future project, which commenced in 2018 is focused on developing an organisation which effectively supports the BHS as a leading charity with a growing membership. During 2019 we began the review of our Volunteer programme to ensure we continue to attract new volunteers to join us and our current volunteers to remain with us. We reached out to a wide range of stakeholders, including volunteers and employees and we also benchmarked ourselves with other charities. From the learnings we identified four guiding principles which we are applying to the programme framework. These are under the acronym **SLIM** based on volunteering with the BHS needs to be Simple, needs to be Local and have Impact and the programme and resources need to be Modernised. The project is resourced through funds designated by the trustees and will continue through 2020.

Financial Report for the Year

The results for the year ending 31 December 2019 demonstrate a clear distinction between our ongoing operations and our project and fund-based activities. Our unrestricted surplus of £348,000 benefited from improved investment performance of net gains of £402,000. This provided the opportunity to earmark funds for future projects. Overall, our free reserves of £2,521,000 are at a level that complies with our reserves policy.

The movement on Designated Funds of £731,000 represents planned investment in the Society's charitable objectives and infrastructure and are presented in detail in note 16 to the accounts. During the year we generated or received revenue for specific purposes of £316,000 and these are accounted for within Restricted Funds, in note 15, together with the associated expenditure.

Total revenue has increased by 6.5% to £12,582,000 (2018: £11,816,000), with the main contributor to that increase being membership subscriptions, inclusive of gift aid and after provision for life memberships, which increased by 9.8% to £8,764,000 (2018: £7,981,000) with this increase boosted by a successful gift aid campaign. Our overall investment in our charitable activities increased by 11.3% to £12,803,000 (2018: £11,503,000). Our continued aim is to maximise the impact of our charitable spend while gaining value for money and efficiencies on our overheads. Total expenditure, including support costs and the cost of raising funds, is set out in detail in note 7 to the accounts. The average number of full-time equivalent employees of the Society increased from 123 to 133 during the year. The increased number is entirely engaged in the delivery or support of our charitable activities.

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COVID 19: Our Response

The full impact of the COVID 19 pandemic and how the Society has managed that impact on the charity, our members, our coaches, our riding schools and all of our stakeholders will be reported upon in full in our 2020 Annual Report which will be published in 2021. However, it is appropriate to give an indication of our response here, at the time of finalising this report the UK was only just emerging from the imposed lockdown.

As an organisation we have had to operate like many businesses, with a workforce located at home and with our headquarters closed since 23rd March 2020. The doors of Equestrian House have only opened once a week for very limited hours and to perform essential operations that cannot be carried out at home. We have very much been charting a course through uncharted territory.

Our technology provision for our employees has performed extremely well. With admirable and entirely fortunate foresight we equipped all our staff in late December 2019 and early January 2020 with devices enabling remote network and file access, and most significantly a video conferencing platform that has meant we have been able to function as a business and to maintain a vital service to the industry. We rose to the challenge of staying in touch while remaining apart.

Again, like so many businesses we have benefited from the Coronavirus Job Retention Scheme, and by carefully managing our capacity and the furloughing of employees we have benefited from the Chancellor's innovative measures. We have maintained the safety and wellbeing of our teams wherever they are located.

The senior management team introduced daily crisis management meetings and briefings to ensure that all of our departments and service providers remain fully informed and knowledgeable in the ever-changing landscape we face.

The trustees have held frequent and agile board meetings to ensure that our governance has kept pace with the developing crisis; implementing measures and safeguards to help equestrians through the crisis and holding a years' worth of meetings in a matter of weeks in the process.

In order to remain as strong, resilient and agile as possible the trustees pooled all of the Society's cash resources so they were available without notice or delay should the need arise. As markets suffered the inevitable hit, we have tracked investment values, monitoring the sharp decline followed by a measured recovery.

This organisational preparedness and responsiveness has been geared towards leading, advising supporting and lobbying on behalf of equestrians and equines everywhere with specific focus on our members, riding schools, coaches and the well being of the industry as a whole.

As equine competition, participation and education were paralysed in March and equestrians had a myriad of questions about how to go about their lives with horses, their horses' health and welfare, their own safety and wellbeing, what they were allowed to do, and not allowed to do under government guidelines – and, vitally, if their insurance covered them to do so - the BHS developed a quick and urgent response mechanism through our Coronavirus Helpline and our Coronavirus Hub of information, guidance and advice and a regular flow of multi-channel member communications.

We helped, supported and informed our members, coaches and riding schools at every turn of events through lockdown and the eventual easing of restrictions, with our team of experts

THE BRITISH HORSE SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2019
TRUSTEES' REPORT AND STRATEGIC REPORT (continued)

interpreting government guidance and liaising with other equine bodies and authorities to try to give as clear a direction as possible.

In addition to placing ourselves as an essential source of information and guidance the Society also recognised the plight of individuals and businesses reliant upon equine activities not only to make a living but, most importantly to care for and feed the horses and ponies in their charge. Riding schools across the country were forced to close and so many found it extremely difficult to cope with the challenges arising from the pandemic. BHS immediately helped their cause by agreeing a 12-month free period from BHS fees.

As the crisis hardened, and in the face of increasing human and equine cost the trustees commissioned a hardship fund in support of the horses and ponies in BHS riding schools and centres. This fund came from the charity's resources centrally, from across the regions and nations of the UK and by member donations to ensure that there was money available for the care of horses and ponies. The aim was simple – for a claim to be straightforward – and to help where help is needed. This pioneering initiative remains in place and is in its second phase as this report is being written. The impact has been immediate and judging by the range of responses so well and gratefully received.

In addition we have been able to negotiate and agree a temporary payment holiday for our Accredited Professional Coaches, whose livelihood was also threatened by equine inactivity, and we have made it our policy to agree favourable terms for any of our stakeholders who have struggled to make ends meet during the crisis.

And most recently the BHS was instrumental in lobbying for the bringing back into use of indoor and covered arenas. We continue to represent the industry as we return safely and sensibly back to something resembling normal activity.

Our own event, competition and education activities have been placed on hold, only to be resumed when it is entirely safe to do so. It has been a time like no other for the Society, but throughout the mounting sadness and confusion of recent months the whole Society has been determined to care for, support, inform and advise. Most of all we have wished everyone to be safe and well.

Future Plans

As we are planning a return to equine activities it is inevitable that the events of 2020 will have a lasting effect on the world, the country, and the equine industry as a whole. Our recent experiences will shape our ambition and objectives as we revisit the elements of our Strategic Plan 2019 – 2024, the achievement of which has been so dramatically interrupted.

As an organisation we have learned many lessons and have realised the true value of being strong, resilient and determined in our support for the things we value most. The trustees and executive have continued to monitor our financial performance and the availability of our reserves and we are confident that the Society and its subsidiaries are well placed to help, support and deliver quality services to you all in the future.

The Trustees Report, Strategic Report and Financial Report were approved by the Board on: 14TH SEPTEMBER 2020

Tim Lord
Chairman



THE BRITISH HORSE SOCIETY
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For the year ended 31 December 2019
OFFICERS AND DIRECTORS

PATRON:	Her Majesty Queen Elizabeth II
VICE-PATRON:	Her Royal Highness the Princess Royal
PRESIDENT:	Martin Clunes OBE
TRUSTEES:	
Chairman:	Tim Lord (elected July 2019) David Sheerin (term of office ended July 2019)
Vice-Chairman:	Sally McCarthy (elected July 2019) Lotta von der Heyde (term of office ended July 2019)
Other Elected Trustees:	Ken Law Sarah Simpson (elected July 2019) Fran Mason (elected July 2019) Lesley Donaldson (elected July 2020) Sandra Harris (elected July 2020) Jane Domhill (term of office ended July 2020) Diane Tranter (term of office ended July 2020) Kirsty Handel (term of office ended July 2019)
Treasurer (co-opted):	Gaby Glasener-Cipollone (October 2019 to June 2020) Martin Clemmey (co-option ended July 2019)
Other Co-opted Trustees:	Professor Tim Morris (co-opted December 2019) Right Honourable Dame Caroline Spelman DBE PC (co-opted April 2020) Christine Worthington (co-option ended July 2019)
SENIOR MANAGEMENT TEAM:	
Chief Executive	James Hick (from December 2019) Lynn Petersen (retired April 2019)
Chief Operating Officer	Sarah Phillips
Director of Access	Mark Weston
Director of Business Development	Georgina Walters
Director of Education	Alex Copeland
Director of Finance	Duncan Snook
Director of Fundraising	Tracy Castles
Director of Human Resources	Alison MacDonald
Director of Marketing and Communications	Sandra Ford
Director of Membership	Emma Day
Director of Safety	Alan Hiscox
Director of Technology	Paul Perkins
Director of Welfare	Gemma Stanford
COMPANY SECRETARY:	Duncan Snook

THE BRITISH HORSE SOCIETY
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2019
ADMINISTRATIVE DETAILS, ADVISERS AND COMPANY INFORMATION

Registered Office and Principal Address

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

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.

The British Horse Society Qualifications Limited (formerly 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 above have been consolidated within the accounts of the Society.

Auditors

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

Bankers

Lloyds Bank plc
125 Colmore Row, Birmingham B3 3SF

Legal Advisers

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

Taxation Advisers

RSM UK Tax and Accounting Limited
St Philips Point, Temple Row, Birmingham B2 5AF

Investment Managers

McInroy & Wood
53 Davies Street, London W1K 5JH

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 2019 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 2019; 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;
- 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.

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.

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

Responsibilities of trustees

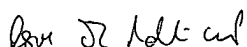
As explained more fully in the Statement of Trustees' responsibilities set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and 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: 23 September 2020

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 2019

		Unrestricted	Designated	Restricted	2019	2018
		£000	£000	£000	Total	Total
		£000	£000	£000	£000	£000
Income and endowments from:						
Donations, legacies and grants	2	222	-	279	501	413
Charitable activities:						
Membership subscriptions	3	8,764	-	-	8,764	7,981
Examinations and other fees		1,555	-	-	1,555	1,664
Events		903	-	6	909	822
Other trading activities:						
Trading income		163	-	-	163	126
Advertising		391	-	-	391	402
Commission received		8	-	-	8	62
Challenge Rides		-	-	21	21	70
Other income	4	242	-	10	252	253
Investment income	5	18	-	-	18	23
Total income		12,266	-	316	12,582	11,816
Expenditure on						
Raising funds	7	788	5	3	796	1,121
Charitable activities	7	11,554	889	360	12,803	11,503
Total expenditure		12,342	894	363	13,599	12,624
Net income/(expenditure)		(76)	(894)	(47)	(1,017)	(808)
Net gain/(loss) on investments		424	-	-	424	(148)
		348	(894)	(47)	(593)	(956)
Transfers between funds	15,16	(193)	163	30	-	-
Net movement in funds		155	(731)	(17)	(593)	(956)
Fund balances brought forward		2,366	4,697	670	7,733	8,689
Fund balances carried forward		2,521	3,966	653	7,140	7,733

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 2019

		Unrestricted £000	Designated £000	Restricted £000	2019 Total £000	2018 Total £000
Income and endowments from:						
Donations, legacies and grants	2	222	-	279	501	461
Charitable activities:						
Membership subscriptions	3	8,764	-	-	8,764	7,981
Examinations and other fees		1,555	-	-	1,555	1,692
Events		902	-	6	908	822
Other trading activities:						
Trading income		60	-	-	60	33
Advertising		2	-	-	2	-
Commission received		8	-	-	8	62
Challenge Rides		-	-	21	21	70
Other income	4	263	-	10	273	255
Investment income	5	18	-	-	18	23
Total income		11,794	-	316	12,110	11,399
Expenditure on:						
Raising funds	7	319	5	3	327	677
Charitable activities	7	11,497	889	360	12,746	11,436
Total expenditure		11,816	894	363	13,073	12,113
Net income/(expenditure)		(22)	(894)	(47)	(963)	(714)
Net (loss)/gain on investments		424	-	-	424	(148)
		402	(894)	(47)	(539)	(862)
Transfers between funds	15,16	(193)	163	30	-	-
Net movement in funds		209	(731)	(17)	(539)	(862)
Fund balances brought forward		2,402	4,697	670	7,769	8,631
Fund balances carried forward		2,611	3,966	653	7,230	7,769

THE BRITISH HORSE SOCIETY
BALANCE SHEETS
 Company Registration Number: 00444742
 For the year ended 31 December 2019

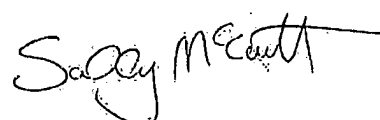
		Group		Society	
	Notes	2019	2018	2019	2018
		£000	£000	£000	£000
FIXED ASSETS					
Intangible fixed assets	9	533	835	533	835
Tangible fixed assets	10	3,413	3,676	3,413	3,676
Investments	11	2,900	2,477	2,905	2,482
		<u>6,846</u>	<u>6,988</u>	<u>6,851</u>	<u>6,993</u>
CURRENT ASSETS					
Stock		124	110	-	-
Debtors	12	1,368	1,435	1,518	1,581
Term deposits		1,636	1,619	1,636	1,619
Cash at bank and in hand		<u>1,051</u>	<u>1,454</u>	<u>1,037</u>	<u>1,377</u>
		<u>4,179</u>	<u>4,618</u>	<u>4,191</u>	<u>4,577</u>
CURRENT LIABILITIES					
Creditors due within one year	13	3,638	3,563	3,567	3,491
		<u>541</u>	<u>1,055</u>	<u>624</u>	<u>1,086</u>
NET CURRENT ASSETS					
Creditors due after more than one year	13	245	310	245	310
		<u>7,142</u>	<u>7,733</u>	<u>7,230</u>	<u>7,769</u>
REPRESENTED BY					
Restricted funds	15	653	670	653	670
Designated funds	16	3,966	4,697	3,966	4,697
Other charitable funds	17	2,611	2,402	2,611	2,402
Non-charitable trading funds	17	(88)	(36)	-	-
		<u>7,142</u>	<u>7,733</u>	<u>7,230</u>	<u>7,769</u>

The financial statements were approved and authorised for issue by the Board on **14TH SEPTEMBER 2020** and signed on its behalf by:

Tim Lord
Chairman



Sally McCarthy
Director



THE BRITISH HORSE SOCIETY
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2019

	2019 £000	2018 £000
Cash flows from operating activities:		
Net cash provided by (used in) operating activities	(394)	309
Cash flows from investing activities:		
Interest from investments	18	23
Purchase of intangible fixed assets	33	(291)
Purchase of tangible fixed assets	(48)	(328)
Disposal of tangible fixed assets	4	-
Purchase of investments	(16)	(18)
Disposal of investments	17	18
Net cash (used in) investing activities	8	(596)
Change in cash and cash equivalents in the year	(386)	(287)
Cash and cash equivalents at the beginning of the year	3,073	3,360
Cash and cash equivalents at the end of the year	2,687	3,073
Reconciliation of net income to net cash flow from operating activities:		
Net expenditure for the year	(593)	(956)
Depreciation and amortisation	576	723
Investment income	(18)	(23)
Investment gains	(424)	148
Movement in stocks	(14)	(36)
Movement in debtors	68	(20)
Movement in creditors	11	473
Net cash provided by/(used in) operating activities	(394)	309
Analysis of changes in cash and cash equivalents	At 1st January 2019	At 31st December 2019
Cash at bank	1,454	(403)
Short term deposits	1,619	17
	3,073	(386)
	2,687	3,073

THE BRITISH HORSE SOCIETY
SOCIETY STATEMENT OF CASH FLOWS
For the year ended 31 December 2019

	2019 £000	2018 £000
Cash flows from operating activities:		
Net cash provided by operating activities	<u>(331)</u>	<u>258</u>
Cash flows from investing activities:		
Interest from investments	18	23
Purchase of intangible fixed assets	33	(291)
Purchase of tangible fixed assets	(48)	(328)
Disposal of tangible fixed assets	4	
Purchase of investments	(16)	(18)
Disposal of investments	17	18
Net cash (used in) investing activities	<u>8</u>	<u>(596)</u>
Change in cash and cash equivalents in the year	(323)	(338)
Cash and cash equivalents at the beginning of the year	2,996	3,334
Cash and cash equivalents at the end of the year	<u>2,673</u>	<u>2,996</u>
Reconciliation of net income to net cash flow from operating activities:		
Net expenditure for the year	(539)	(862)
Depreciation and amortisation	576	723
Investment income	(18)	(23)
Investment gains	(424)	148
Movement in debtors	63	(144)
Movement in creditors	11	416
Net cash provided by operating activities	<u>(331)</u>	<u>258</u>

	At 1st January 2018	Cash flows	At 31st December 2018
Analysis of changes in cash and cash equivalents			
Cash at bank	1,377	(340)	1,037
Short term deposits	1,619	17	1,636
	<u>2,996</u>	<u>(323)</u>	<u>2,673</u>

THE BRITISH HORSE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

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:

THE BRITISH HORSE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

1. Accounting Policies (continued)

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 by 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.

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 donate 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.

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.

THE BRITISH HORSE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

1. Accounting Policies (continued)

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

Since the significance of the economic impacts of the COVID-19 outbreak have become apparent, the Trustees have reviewed in detail the Society's position and the appropriate basis on which to prepare the financial statements. The Trustees anticipate that there will be significant adverse impacts in several of its income streams as noted in note 21, Post Balance Sheet Events. The Trustees have considered projections to the end of December 2021, prepared to stress test the financial resilience of the Society which take into account the fall in value of investments and potential decline in income. Whilst the Trustees recognise that 2020 will be a challenging year and it is likely that it will be necessary to draw on some of the Society's reserves, which have been established to provide financial resilience, they have considered that it remains appropriate to prepare the financial

THE BRITISH HORSE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

1. Accounting Policies (continued)

statements on a going concern basis. The full impact of the COVID-19 outbreak cannot presently be estimated with any certainty, but the stress testing of the Society's financial position has satisfied the Trustees that it has adequate reserves and mitigation strategies available to deal with the impact of the outbreak as it unfolds.

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.

2. Donations, Legacies and Grants

	Group		Society	
	2019	2018	2019	2018
	£000	£000	£000	£000
Donations received include:				
Qualifying donations from subsidiaries	-	-	-	48
Legacies received include:				
K Friar	95	-	95	-
K Cheney	24	-	24	-
C M Savege	15	-	15	-
K Elliott	-	10	-	10
Grants received include:				
British Equestrian Federation	49	8	49	8
Worshipful Company of Saddlers	43	22	43	22
Warwickshire Police and Crime Commission	40	-	40	-
Sir Peter O'Sullivan Charitable Trust	40	80	40	80
C S Heber-Percy Charitable Trust	30	10	30	10
Veolia Environmental Trust	14	-	14	-
The Haber Charity	10	-	10	-
South Essex Insurance Brokers	-	50	-	50
Petplan Charitable Trust	-	43	-	43
Donations, legacies and grants (all less than £10,000)	141	190	141	190
	501	413	501	461

THE BRITISH HORSE SOCIETY
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For the year ended 31 December 2019

3. Membership Income

	Group		Society	
	2019	2018	2019	2018
	£000	£000	£000	£000
During the year ended 31 December membership subscriptions after provision for deferred life membership income were:	7,570	7,113	7,570	7,113
In the same period, gift aid was claimed amounting to:	1,194	868	1,194	868
	8,764	7,981	8,764	7,981

4. Other Income

	Group		Society	
	2019	2018	2019	2018
	£000	£000	£000	£000
Other (includes consultancy, service charges and miscellaneous items)	181	183	200	183
Rental income	71	70	73	72
	252	253	273	255

5. Income from Investments

	Group		Society	
	2019	2018	2019	2018
	£000	£000	£000	£000
Interest receivable	18	23	18	23
	18	23	18	23

THE BRITISH HORSE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

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 The British Horse Society Qualifications Limited (company registration 5679140) undertakes accreditation of equine qualifications. Each company donates any taxable profits to the Society.

The British Horse Society Qualifications Limited was formerly known as Equestrian Qualifications GB Limited. The change of name was made by special resolution in September 2019.

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

	2019	2018
	£000	£000
The British Horse Society (Trading Company) Limited		
Turnover	473	534
Less: Cost of sales	469	537
Result for the year	4	(3)
Qualifying donation to parent charity	-	41
Assets	248	315
Liabilities	232	302
Net funds	16	13
The British Horse Society Qualifications Limited		
Turnover	38	53
Less: Cost of sales	96	95
Result for the year	(58)	(42)
Qualifying donation to parent charity	-	7
Assets	4	4
Liabilities	103	46
Net funds	(99)	(42)

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 2019

7. Analysis of Total Expenditure

Group	Activities undertaken directly £000	Support costs £000	Designated funds £000	Restricted funds £000	Total 2019 £000
Expenditure on raising funds in 2019					
Fundraising, trading, cost of goods and other costs	656	132	5	3	796
Expenditure on charitable activities in 2019					
Membership services	3,048	1,314	242	31	4,635
Training, examinations and approvals	2,418	1,417	323	157	4,315
Safety, Access and Welfare	944	925	255	161	2,285
Events	1,173	315	69	11	1,568
Total charitable activities	7,583	3,971	889	360	12,803
Total expenditure	8,239	4,103	894	363	13,599

Society	Activities undertaken directly £000	Support costs £000	Designated funds £000	Restricted funds £000	Total 2019 £000
Expenditure on raising funds in 2019					
Fundraising, trading, cost of goods and other costs	187	132	5	3	327
Expenditure on charitable activities in 2019					
Membership services	3,088	1,314	242	31	4,675
Training, examinations and approvals	2,321	1,417	323	157	4,218
Safety, Access and Welfare	944	925	255	161	2,285
Events	1,173	315	69	11	1,568
Total charitable activities	7,526	3,971	889	360	12,746
Total expenditure	7,713	4,103	894	363	13,073

THE BRITISH HORSE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

7. Analysis of total expenditure (continued)

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 2019

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 2019						
Management	27	273	295	192	66	853
Finance	10	101	108	71	24	314
Technology and infrastructure	39	376	406	265	90	1,176
Facilities	13	130	140	92	31	406
Human Resources	9	96	103	67	23	298
Marketing and communications	34	338	365	238	81	1,056
	132	1,314	1,417	925	315	4,103
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

Included in total costs above are Governance Costs of £226,345 (2018: £141,776) which include Chairman, Trustee and CEO expenses of £19,594 (2018: £19,749) and Legal, professional and audit fees of £206,751 (2018: £122,027).

	Group		Society	
	2019 £000	2018 £000	2019 £000	2018 £000
Total expenditure includes:				
Auditors remuneration				
for audit work	25	18	22	15
for non-audit work	5	3	5	3
Operating leases				
for land and buildings	29	29	29	29
for plant and machinery	96	89	96	89

THE BRITISH HORSE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

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.

	2019	2018
	£	£
Group and Society		
The cost of travel and subsistence reimbursed to 13 (2018:12) trustees during the year amounted to:	18,152	13,020
Chairman's remuneration:		
D Sheerin	4,646	7,809
T Lord	3,650	-

Trustees were paid fees for examinations and other services as follows:

D Sheerin	383	385
S Simpson	6,874	2,345

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 and other 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 £1,082,291 (2018: £981,004)

Staff Costs

	2019	2018
	£000	£000
Group		
Salaries and wages	4,283	3,719
Social security costs	417	362
Pension costs	219	207
Other employee costs and benefits	133	101
	<u>5,052</u>	<u>4,389</u>

THE BRITISH HORSE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

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 redundancy or termination payments to leavers totalling £21,524 (2018: Nil).

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

	2019	2018
£120,001 to £130,000	-	1
£101,000 to £110,000	1	-
£90,001 to £100,000	1	-
£80,001 to £90,000	1	1
£70,001 to £80,000	3	4
£60,001 to £70,000	3	1

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 £42,795 (2018: £53,688) was contributed to a defined contribution pension scheme for the 9 (2018: 7) employees whose emoluments exceeded £60,000.

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

	2019	2018
Charitable activities	130	119
Raising funds	3	4
	133	123

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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

9. Intangible Fixed Assets

Group and Society	Education Software £000	Membership Software £000	Other IT related Projects £000	Total £000
Cost				
At 31 December 2018	619	407	428	1,454
Disposals	(102)	-	-	(102)
Additions	64	-	5	69
At 31 December 2019	581	407	433	1,421
Amortisation				
At 31 December 2018	86	274	259	619
Charge for the year	-	133	136	269
At 31 December 2019	86	407	395	888
Net Book Values				
As at 31 December 2019	495	-	38	533
As at 31 December 2018	533	133	169	835

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.

THE BRITISH HORSE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

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 2018	249	4,707	1,390	401	6,747
Additions	-	-	38	10	48
Disposals	(6)	-	-	(4)	(10)
At 31 December 2019	243	4,707	1,428	407	6,785
Depreciation					
At 31 December 2018	39	1,372	1,317	343	3,071
Charge for the year	49	181	51	26	307
Disposals	(6)	-	-	-	(6)
At 31 December 2019	82	1,553	1,368	369	3,372
Net Book Values					
As at 31 December 2019	161	3,154	60	38	3,413
As at 31 December 2018	210	3,335	73	58	3,676

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
NOTES TO THE FINANCIAL STATEMENTS
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11. Fixed Asset Investments

	Group		Society*	
	2019	2018	2019	2018
	£000	£000	£000	£000
Listed investments	2,900	2,477	2,900	2,477
Shares in subsidiary undertakings	-	-	5	5
	2,900	2,477	2,905	2,482

Listed investments	Brought forward	Additions	Disposals	Gains/ (Losses)	Carried forward
	£000	£000	£000	£000	£000
Group and Society					
M & G Charifund	1,147	-	-	264	1,411
McInroy & Wood HG Investment	1,279	16	(17)	152	1,430
M & G Charifund (Committee funds)	51	-	-	8	59
Total listed investments	2,477	16	(17)	424	2,900

	2019	2018
	£000	£000
Listed investments at cost	2,152	2,134
Shares in subsidiary undertakings		
Society	2018	2018
	£000	£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 THE British Horse Society Qualifications Limited which are both incorporated in England and Wales.

THE BRITISH HORSE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

12. Debtors

	Group		Society	
	2019	2018	2019	2018
	£000	£000	£000	£000
Trade debtors	128	205	92	75
Amounts due from subsidiary	-	-	213	277
VAT	9	52	9	52
Other debtors	5	6	5	6
Prepayments and accrued income	1,226	1,172	1,199	1,171
	1,368	1,435	1,518	1,581

13. Creditors

	Group		Society	
	2019	2018	2019	2018
	£000	£000	£000	£000
Creditors due within one year:				
Trade creditors	673	794	669	783
Deferred income	2,436	2,363	2,436	2,363
Taxation and social security	119	110	115	107
Accrued expenditure	403	296	340	238
Other creditors	7	-	7	-
	3,638	3,563	3,567	3,491

Creditors due after more than 1 year:

Deferred income	245	310	245	310
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Of the above the following will fall due:

in 2 to 5 years:	40	36	40	36
In over 5 years:	205	274	205	274

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
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

15. Restricted Funds

Group and Society	At 1st January 2019	Income	Expenditure	Transfers between reserves	At 31st December 2019
	£000	£000	£000	£000	£000
2026 Sport England	-	49	(69)	35	15
Access Fighting	60	4	(11)	-	53
Bodynfoel Award	11	-	-	-	11
Challenge Rides	-	24	(24)	-	-
Changing Lives Through Horses	236	128	(119)	-	245
Faith Hope and Charity	33	-	(8)	-	25
Healthcare Clinics	40	7	(16)	-	31
Helping Horses	36	10	(13)	-	33
Helping Horses on the Move	47	-	(11)	-	36
Irene Heppell York	13	-	-	-	13
Livery Yard Project	13	-	(2)	-	11
Paths for Communities	43	36	(21)	-	58
Responsible Breeding	21	-	-	-	21
Road Safety	-	40	(40)	-	-
Saddlers Training	21	4	(15)	-	10
Welfare and Horse Rescue	17	-	(7)	-	10
Year of the Horse	15	-	-	-	15
Other funds:					
All balances of £10,000 or less or less than £10,000 income	64	15	(7)	(5)	67
	670	317	(363)	30	654

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.

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.

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15. Restricted Funds (continued)

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 2019 £000	Expenditure £000	Transfers between reserves £000	At 31st December 2019 £000
Access 2026	14	(4)	-	10
BHS on the Move	57	(46)	(11)	-
Bursaries	206	(34)	-	172
Capital Reserve	3,333	(181)	-	3,152
Development Fund	128	(28)	-	100
Education Booking Online	473	(107)	-	366
Fit for the Future	23	(69)	100	54
Forever for the Horse	212	(261)	87	38
Governance Special Projects	26	(26)	-	-
Government Action	22	-	-	22
Healthcare Clinics	25	(17)	-	8
Horse Accident Website	9	-	-	9
IT Projects	104	(104)	-	-
Paths for Communities	36	(6)	-	30
PCM Barnes	18	-	(18)	-
Sport England 2026	-	-	5	5
Shows development/Charity of the Year	11	(11)	-	-
	4,697	(894)	163	3,966

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.

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16. Designated Funds (continued)

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.
 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.

17. Other Unrestricted Funds

	Group		Society	
	2019	2018	2019	2018
	£000	£000	£000	£000
Charitable funds:				
At 31 December 2018	2,402	3,213	2,402	3,213
Net income and expenditure	402	(98)	402	(98)
Transfers to designated and restricted funds	(193)	(713)	(193)	(713)
At 31 December 2019	2,611	2,402	2,611	2,402
Non-charitable trading funds:				
At 31 December 2018	(36)	58	-	-
Result for the year	(52)	(94)	-	-
At 31 December 2019	(88)	(36)	-	-

THE BRITISH HORSE SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

18. Analysis of Group Net Assets between Funds

	Unrestricted funds £000	Restricted funds £000	Total funds £000
Fund balances at 31 December 2019 are represented by:			
Intangible fixed assets	533	-	533
Tangible fixed assets	3,413	-	3,413
Fixed asset investments	2,900	-	2,900
Term deposits and current asset investments	1,636	-	1,636
Cash at bank and in hand	398	653	1,051
Other current assets	1,492	-	1,492
Creditors	(3,883)	-	(3,883)
Total net assets	6,489	653	7,142

19. Financial Commitments

	2019 £000	2018 £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
Plant and machinery	155	78
	155	106

Payments within two to five years:

Land and buildings	-	-
Plant and machinery	209	55
	209	55

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 2019

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20. Related Party Transactions

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

	2019 £000	2018 £000
Transactions with The British Horse Society (Trading Company) Limited were as follows:		
Gift aid income	-	41
Intercompany trade and recharges	41	93
Amounts due from subsidiary	116	236

Transactions with The British Horse Society Qualifications Limited were as follows:

Gift aid income	-	7
Intercompany trade and recharges	35	28
Amounts due from subsidiary	97	41

The registered office of both subsidiaries is as follows:

Abbey Park
Stareton
Kenilworth
Warwickshire
CV8 2XZ

21. Post Balance Sheet Events

On 11 March 2020 the World Health Organization declared the global coronavirus outbreak to be a pandemic. The United Kingdom implemented lockdown measures on 23 March 2020. This is considered a non-adjusting post balance sheet event. The COVID-19 outbreak that has occurred since the financial year end is likely to have a significant effect on the financial position of the Society during 2020. The Trustees anticipate significant impacts to several of its income streams, most notably to its examinations and events programme where physical meetings have had to be cancelled or postponed. As markets have suffered the trustees have tracked investment values, monitoring the sharp decline followed by a measured recovery.

The full impact of the COVID-19 outbreak cannot presently be estimated with any certainty, but the stress testing of the Society's financial position has satisfied the Trustees that it has adequate reserves and mitigation strategies to deal with the impact of the outbreak as it unfolds.