

The British Horse Society Annual Report 2012



ADMINISTRATIVE DETAILS

LEGAL STATUS

The Society was incorporated on 5 November 1947, as a company limited by guarantee, having no share capital. The charity registration numbers are 210504 and SC038516 and the company registration number is 444742. The Society is governed by its Memorandum and Articles of Association.

The British Horse Society (Trading Company) Limited was incorporated on 11 September 1991 as a wholly owned subsidiary of the Society.

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

REGISTERED OFFICE

The Society's principal office is its registered office at:

Abbey Park
Stareton
Kenilworth
Warwickshire CV8 2XZ

BANKERS

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

SOLICITORS

The Society's solicitors are:
Darbys Solicitors LLP
52 New Inn Hall Street
Oxford OX1 2DN

and
Anderson Strathern LLP
1 Rutland Court
Edinburgh EH3 8EY

AUDITORS

The Society's auditors are:
Critchleys LLP
Greyfriars Court
Paradise Square
Oxford OX1 1BE

TAX ADVISORS

The Society's tax advisors are:
Baker Tilly
St Philips Point
Temple Row
Birmingham
West Midlands B2 5AF

MANAGEMENT AND THE BOARD OF TRUSTEES

Patron: Her Majesty The Queen

President: Martin Clunes

Chairman: Mrs Claire Aldridge (Appointed Chairman 18 December 2012)

Mrs Lynn Petersen (Chairman March-November, retired 25 November 2012)

Dr Phil Wadey (Chairman until 17 February 2012, retired 27 June 2012)

OTHER TRUSTEES:

Mrs Carole Broad FBHS (Vice-Chairman)

Mrs Christine Blackford FCMA (Treasurer)

Mr Donald Kear BHSI

Mr David Kerry

Mr Bob Milton

Mrs Marjory Norrie

Ms Margot Tiffany BHSI (Appointed 18 December 2012)

Miss Vicky Whiteman

Mrs Sarah Bucks (Resigned 24 July 2012)

Mr James Buxton (Retired 27 June 2012)

MANAGEMENT BOARD:

Chief Executive

Lynn Petersen (appointed 26 November 2012)

Graham Cory (resigned 21 September 2012)

Director, Finance and Deputy Chief Executive

Gill Evans FCCA

Director, Access, Safety and Welfare

Mark Weston

Director, Standards

Margaret Linington-Payne BHSI

Director, Marketing, Membership and Communications

Emma Day

Director, Human Resources

Alison Field CIPD

STRUCTURE, GOVERNANCE AND MANAGEMENT

TRUSTEES

The Society is governed by its Board of Trustees. Members of the Board are the Directors of the company and the Trustees of the charity. The Board consists of nine members elected by the membership, and up to six members co-opted by the Board.

The Board has two committees, Finance and Audit. The Board also considers the advice put forward by advisory committees and BHS staff.

INDUCTION OF TRUSTEES

When Trustees are elected or co-opted to the Board, they are provided with an information pack which includes the Society's Memorandum and Articles of Association, and information

published by the Charity Commission to explain their responsibilities as Trustees. The Society's solicitors also brief Trustees and keep them up to date with developments in the law. Further training and development of Trustees is carried out from time to time. In addition, Trustees receive the bi-monthly magazine 'Governance', published by Civil Society Media.

BOARD OF TRUSTEES

The Board of Trustees of the BHS is legally responsible for all aspects of the Society's business, including the efficient, effective and economical deployment of the charity's resources, the identification and management of risks which may adversely affect the Society's performance, and the determination of an appropriate strategy for the delivery of programmes of work which will conduce to the achievement of the Society's Objects.

The Trustees of the charity are also the directors of The British Horse Society, a company limited by guarantee. (Hereinafter, the word 'Trustee' is used to mean 'Trustees and Directors of The British

The British Horse Society

Annual Report 2012

Horse Society'. The word 'Director' is used to mean the paid senior staff member in charge of a Directorate).

The day to day management of the Society is delegated to the Chief Executive, who reports to the Chairman and also to the Board of Trustees, and is executed by the Directors.

REGIONAL AND COUNTY COMMITTEES

The Society's headquarters are at Abbey Park, Stareton, Kenilworth, Warwickshire. In addition to the staff employed here there are 12 Development Officers based throughout the UK. These Development Officers support the work of the Society at a local level and in particular work with the regional and county committees, together with BHS Scotland. Each committee is led by an elected chairman and is supported by a number of volunteers who assist in the delivery of the Society's objectives at the local level. Trustees value the work of all volunteers and the time they devote to achieving these objectives.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

So far as the trustees are aware:

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

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

RISK MANAGEMENT

In discharge of their responsibility to manage the risks of the Society, the Trustees require a Risk Register to be kept. This document is kept under constant review by the Finance Committee of the Board and by the Audit Committee. Every risk on the Register is allocated to a Director who must, every six months, certify the status of each risk and the actions being taken to address it. As publication of the risks may, in certain instances, increase the prospect of the risk materialising, the full Register is not published, although it is made available for inspection to the Society's Auditors. Nevertheless, during 2012 Trustees recognised as the principal risks those relating to:

- (i) the general economic environment, potentially leading to a severe reduction in income;
- (ii) membership reductions if insurance benefits are not maintained;
- (iii) the outbreak of a major epidemic of disease (such as African Horse Sickness, West Nile Virus or Equine Infectious Anaemia) which might adversely affect members' financial ability to remain in membership;
- (iv) a major incident which disrupts the administration of the Society.

The major risks to the charity have been assessed and in the Board's opinion, all necessary action has been taken and procedures have been put in place to minimise those risks wherever possible.

OBJECTIVES AND ACTIVITIES

The objects for which the Society is established are:

- 1) To promote and advance the education, training and safety of the public in all matters relating to the horse;
- 2) To promote the use, breeding, well-being, safety, environment, health and management of the horse for the public benefit;
- 3) To promote community participation in healthy recreation involving the horse;

- 4) 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;
- 5) 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, carriageways, public paths and other land.

PUBLIC BENEFIT

The Trustees have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to guidance issued by the Charity Commission.

The BHS delivers a range of public benefits. By encouraging people of all ages and from all sections of society to participate in equestrian activities, by promoting a range of such 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, we are contributing to the aggregate health and fitness of the nation.

By promoting sound equine breeding, by working to reduce the incidence of equine abuse and by promoting the highest standards of equine care, we contribute to the welfare of all equines, and thereby assist in the achievement of society's moral goal of ensuring that all animals are protected from neglect, cruelty or inhumanity.

By promoting the highest standards of equitation, principally by providing training and education, and by offering a suite of examinations from beginner level to international coach level, we are contributing to the raising of the aggregate level of equestrian competence in the UK (and indeed across the world), with a concomitant reduction in the level of accidents, injuries and fatalities caused by incompetence. By the same means we are also helping to sustain high standards of performance on the part of UK participants in international equestrian competitions to the advantage of this country's international profile.

By providing free riding experiences to children with terminal illnesses (and their brothers and sisters), and by facilitating free riding and horse care instruction in inner city locations, we are using horses to help achieve wider social and educational benefits to groups which typically would not (or could not afford to) come into contact with horses. The Centre Membership Scheme run by British Riding Clubs (a department of the Society) provides the benefits of riding club membership to those who cannot afford to buy their own horse.

By maintaining a website which both contains and provides links to advice and educational material, we are providing a free educational service to all who own, keep, ride or otherwise have an interest in horses.

Every horse and every equestrian derives some benefit from the work of the BHS (for example, our welfare and access work) at no cost to themselves. This work is paid for in part by

income generated from those elements of our work for which a fee is charged. Expressed in terms of a proportion of the overall costs of keeping and riding a horse, the exam fees are modest. However, they generate income without which the services and benefits provided at no cost to the public at large could not be provided.

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

The principal activities and achievements of the Society, and our performance in executing them, are as follows:

ACTIVITIES, ACHIEVEMENTS AND PERFORMANCE

We'd like to begin by thanking our members and volunteers. None of our achievements in 2012 would have been possible without you. It is only together that we can fulfil our vision, where all horses are protected and cared for properly.

From our very beginnings we've been a charity that places horses first. Everything we work for, from keeping bridleways open to making it safer to ride on the road, is driven by the desire to improve the lives of horses. And while our goal is to ensure every horse is protected and well cared for, we also work towards assisting riders and owners, whatever their goals with horses, and we offer the best of everything – the best riding schools and instructors, the best places to ride, the best riding clubs, the best qualifications and training. Whatever your journey with horses there is a wonderful world to discover with The British Horse Society. Please read on to discover what we achieved in 2012.

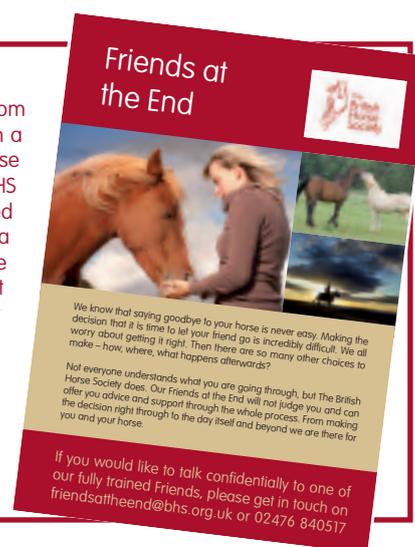
OUR CHARITY

IMPROVING WELFARE

The UK is experiencing an unprecedented

Your story

One afternoon our Welfare Helpline received a call from a concerned member of the public. They had seen a small pony looking in very poor condition in a field close to their home. We called our local volunteer BHS Welfare Officer immediately and they attended promptly that same afternoon. They did indeed find a pony in a poor and distressed state. Liaising with the owner of the pony a vet was contacted and it transpired that the pony was blind. With the support of our Welfare Officer the owner did the kind thing and euthanased the pony. This is one of the many reasons that we have chosen to launch our 'Friends at the End' programme – a new initiative to ensure that no horse owner has to face the loss of their equine companion alone.



equine welfare crisis. The BHS has a vital nationwide network of more than 200 equine specialist welfare officers to assist in dealing with the problem. That's more than any other equine welfare organisation in the UK and this strength in the number of BHS welfare officers allowed us to respond to more than 1,500 equine welfare concerns in 2012. The BHS and other high profile equine welfare organisations identified that there are currently in excess of 6,000 horses at risk. This was reflected in the welfare concerns reported to us more than doubling from the previous year, representing a massive workload for our staff and volunteers.

Our response has improved the lives of thousands of horses. From the welfare officer who saved 15 horses affected by flooding delivering hay by a boat to stranded horses, to the officers who tirelessly visit and educate owners to improve the care and welfare of horses, our volunteers make a crucial difference to the lives of thousands of horses. As a result of the work we have undertaken the BHS is increasingly looked on as the first port of call when members of the public are concerned about specific welfare cases.

Adopting Patrick Pony (pictured below, left) was one of the highlights of our year. This poor little

foal, less than 24 hours old, was dumped on the side of a County Durham road, dramatically highlighting the equine crisis that the country is facing and typical of the crucial work that our many welfare officers undertake every day of the year.

Patrick is now thriving physically, and has raised several thousands of pounds for his care and to help prevent more cases like his own. Through social media and updates in British Horse, Patrick is gathering a growing list of devoted followers, whom he continues to update regularly on his progress, while at the same time raising awareness of important issues and key developments affecting him and his friends on the yard.

It isn't just neglected horses that we help. Launched in late 2012, our Friends at the End programme is available for anyone who needs help, guidance and support as they face the final decision dreaded by all horse owners.

The Society is regarded as being a quality provider of welfare educational material with advisory leaflets which are available throughout the year. The Society held its largest ever welfare conference with more than 200 delegates attending our Lameness Conference at Hartpury College.

We processed nearly 2,500 passport applications in 2012 – a huge increase on previous years – and conducted several passport, microchip and worming days for urban horses in the Midlands and North East. These days demonstrate the need for an effective passport system, while the loss of the National Equine Database has had a severely detrimental effect with passport-issuing organisations being unable to ensure that horses are not issued with more than one passport.

The Society is working with its partners in the horse industry to establish an industry-funded database as soon as possible.

To help fund our welfare work we have continued to encourage supporters to take one of our challenge rides to Peru, India, Spain or Iceland. These rides have raised in excess of £30,000 for our welfare work and we are indebted to our intrepid adventurers for their fundraising efforts.



The British Horse Society Annual Report 2012

Your story

Sue Hawking saw an article in her British Horse magazine about the Iceland Challenge Ride and she was soon raising funds for the welfare of horses and ponies to secure her place on the ride. Sue had an amazing adventure as twelve participants rode with a beautiful herd of Icelandic horses into the mountains and along a very long beach. The experience stirred a passion for seeing the world from the back of a horse and Sue has since ridden the open spaces of Inner Mongolia, the wonderful Arab horses of Wadi Rum, sleeping under the stars with her horse. Sue did her ninth ride in 2012 to raise funds: "I feel privileged to have shared such a wonderful experience with friends and horses for such a good cause".



Our event at Aintree racecourse found that 32 percent of the vehicles weighed were overloaded and that 90 percent of those would have been prevented from continuing their journey if they had been subjected to an official weight check.

BHS Safety reps reached a wider audience to highlight these issues by providing transport safety courses for approximately 300 equine students at various colleges around the UK. The courses covered the myriad of changing legislation surrounding driver licensing laws and transport issues; breakdown of equine transport and how to deal with it; what to expect when you break down; what you should know to help yourself and what to take with you. All these issues were aimed at enabling drivers to understand the dangers of being overloaded and therefore facing penalties if stopped by the enforcement authorities such as VOSA, Highways Agencies and the Police.

Promoting www.horseaccidents.org.uk has resulted in increased reporting of horse accidents by young people. It has been a great opportunity for promoting the BHS commitment to education in all areas of equestrianism.

Our hi-viz survey in 2011 highlighted that riders wanted the Society to raise the safety issues of horse riders on the road to motorists, so we were pleased that our pilot ad campaign on buses in Lanarkshire in 2012 was very well received and resulted in our 'Hit Your Brakes – Not My Horse' message being seen more than 250,000 times.

Your story

A village shop worker was so incensed after witnessing an outrageous accident outside her shop that she contacted the BHS.

She couldn't believe her eyes as a newly qualified driver recklessly sped past a horse and rider, music blaring, horn honking and shouting out of the window. She looked on in horror as the terrified horse and rider spun around in the road.

The traumatised horse suffered an injury that later required stitches. With our help and advice the shop worker took action. The outcome was that the headmaster of the sixth form college organised talks for students about driving behaviour and the police gave a talk on road safety.

The BHS provided resources to the shop workers so that quality educational literature – Horse Sense for Motorists – could be given out to all students and also to local driving schools. Posters were also distributed throughout the village to great effect.

IMPROVING ACCESS

We continue to help many equestrians enjoy the outdoors with their horses by working hard to open and save bridle routes for riders and carriage drivers. We have hundreds of volunteers working relentlessly to ensure safer and more accessible equestrian access – for today and for the future.

In 2012, BHS President, Martin Clunes officially

IMPROVING SAFETY

We receive distressing reports of horses and their riders involved in fatal or serious road accidents due to reckless and inconsiderate drivers. Helping to prevent accidents and keep horses and riders safe we work to educate drivers and encourage thousands of people each year to take the BHS Riding and Road Safety Test.

Our dedicated BHS website, www.horseaccidents.org, enables riders to report accidents and is shaping legislation by supplying data on horse accidents to policy makers.

Thanks to reports received from members of the public the Society was able to speak out for all equestrians during the government's review of the Dangerous Dogs Legislation, promoting more responsible dog ownership in an effort to reduce dog attacks.

Working with significant partners – The Association of Chief Police Officers and the Blue Cross – we produced an advisory leaflet aimed

at viewing the issue from both the dog owner's perspective and the horse owner's perspective. The leaflet was unveiled at Crufts Dog Show, and since its launch many thousands of leaflets have been distributed and advice given.

During the year we also worked in partnership with some of the major cycling organisations to produce a Code of Conduct for horse riders and cyclists, setting out useful information for cyclists and horse riders so that each can better appreciate the other's needs and requirements, thus making time in the saddle safer and more enjoyable for all.

We have continued to highlight the importance of ensuring that horse lorries and trailers comply with current legislation requirements. Following the Society's weighing exercise at Equifest in 2011 when 51 percent of vehicles weighed were found to be over the legal and safe limit, we ran six further transport awareness days through 2012. These were held at equestrian events around the country with our partners, the NFU, PRP Rescue Services and SVTech.

opened The Great Dragon Ride, a 293-mile route amalgamating five BHS routes linking Wales from north to south and east to west, on mainly safe off-road routes. The opening of these bridle routes illustrates the dedication of our Access and Bridleways Officers in bringing such routes to fruition for the benefit of all equestrians. There have been so many other successes around the country involving hundreds of hours of volunteers' endeavours to save and preserve our equestrian routes for future generations.

We continue our work to digitise the National Equestrian Route Network with 20,000km now being digitised on our GIS system.

Working in partnership with Forestry Commission Wales we helped launch and promote the YouTube video, 'Share the Trail', encouraging mountain bikers to 'Stop, Stand and Speak' to equestrians. Promoted widely to outdoor pursuits enthusiasts and equestrians, it has been viewed by many thousands of people since its launch and helped to improve the multi-user experience on shared use trails while increasing safety for



Your story

Sheila Brookes from Legsby near Market Rasen was delighted to receive an award this year from The British Horse Society for her unceasing work and enthusiasm leading to the development of a new 69-mile multi-user access route around the Lincolnshire Wolds, which was opened in June this year. As a member of the Mid-Lincolnshire Access Forum representing the interests of carriage drivers and people with physical difficulties, Sheila's involvement in the project has fired her ambition for countryside accessible to everyone. She strongly supports, and has experience of assisting physically disabled drivers to regain their sense of worth and independence through carriage driving. Sheila sees the foundation of the Lindsey Trail as an opportunity to increase this accessibility. She has been an enthusiastic promoter of the project and central point of liaison between Lincolnshire County Council Public Rights of Way and Countryside Access Department and enthusiastic volunteers. Her ability to facilitate discussion and her liaison between people with differing interests in the project is well known; as is her practical approach to the design and location of the eventual route. The Lindsey Trail could not have been developed without her enthusiasm, determination and charisma. Sheila said: "It is very rewarding. We have already had groups of carriage drivers come from Cambridgeshire, Gloucestershire, Dorset and Norfolk to use the route. There is a farm shop nearby that has a rather nice tea room and they are experiencing an increase in the numbers of people with horses. Their sign now reads 'Horses and cyclists welcome!'"



equestrians.

The receipt of numerous reports by the Society from riders of terrible injuries to both horses and riders caused by self-closing gates caused the Society great concern. Therefore, in the absence of any authoritative research on the effects of these gates on horse riders, the Society carried out the pioneering research into determining the effect of self-closing gates on horse riders.

These findings have been published and disseminated to local authorities, government departments and other access providers. The trial demonstrated that self-closing bridle gates are neither as safe nor as easy to use for horse riders as British Standard 5709:2006 compliant non-self-closing gates. This research should help improve access and safety for all equestrians.

Our Access publications, The Bulletin and the new digital format of Tracks continue to be popular with a circulation growth of more than 25 percent this year, educating even more people on access issues.

CAMPAIGNING AND LOBBYING

We continue to campaign and lobby government on the issues that really matter to you. We've worked with other user groups to give us all a louder voice in respect of calling for more access in our forests in England and especially in forestry commission forests. We have been a loud voice calling for equestrian access to be preserved by the Commission dedicating such access pursuant to Section 16 of the Countryside and Rights of Way Act 2000 has been made loudly.

Published with our partners in the Equestrian Access Forum, 'Making Ways for Horses – off-road equestrian access in England' has developed proposals for a cohesive, comprehensive and integrated nationwide network. This publication and its proposals will be used as a key lobbying tool to fight for improving access for all equestrians.

The Society joined forces with other partners to form The Commons Coalition, a group of 16

The British Horse Society

Annual Report 2012

diverse organisations calling for full implementation of the Commons Act 2006, in order that more access for horse riders on our commons can be realised.

The issues surrounding use of commons have received considerable attention during 2012. There has been a plethora of proposals to fence commons and the Society has been actively opposing these where they compromise safe access for equestrians to these commons. Fencing proposals normally mean that horse riders can only access those commons through self-closing bridle gates. These gates have led to a number of injuries being caused to riders and horses and often lead to the displacement of riders from the commons freely available to riders prior to the implementation of these new fencing schemes.

The Society was so aggrieved with two Inspectors' decisions regarding fencing proposals at Chobham and Hednesford Commons that it sought Queen Counsel's opinion as to the feasibility of challenging those decisions by way of judicial review, thereby demonstrating that we will not shy away from challenging such decisions when appropriate to do so. Unfortunately, in both cases, Counsel did not consider that the Society had sufficient grounds to achieve a successful outcome and that to undertake proceedings would not be an appropriate use of charitable funds.

In Wales we have been lobbying hard to achieve recognition and provision for equestrians in the Active Travel Bill and Road Safety Plan for Wales.

In England and Wales equestrians often hope for access legislation similar to that available in Scotland. The Scottish legislation brings its own issues and our access representatives in Scotland work tirelessly to resolve these. The Land Reform Scotland Act 2003 is currently under review and there is some concern that this could potentially lead to a reduction in access rights that might particularly affect equestrians. BHS Scotland responded to the review group's call for evidence.

The British Horse Society spoke out against the government's intention to remove equine vocational qualifications from GCSE school league tables this year.

We asked ministers in the Department for Education to reconsider a decision which has significant implications for the £4bn horse industry, particularly training centres and their staff. It may be headline-grabbing to denigrate vocational studies, but the combination of entry-level animal science with the practical elements of horse husbandry in the equine vocational courses provides a challenge, the rigour of which can stand comparison with the majority of GCSEs. We pointed out that diploma qualifications are valued by employers where practical skills, backed by a sound knowledge of relevant theory, are vital.

BHS qualifications, which are recognised by Ofqual and which carry UCAS points, demonstrate the necessary rigour and quality assurance for a potential employer.

Your story

Tanya Elson BHSII (32) from Berkshire, worked full-time as a financial consultant until she was made redundant. She decided to build upon her existing BHS Assistant Instructor qualification to increase her knowledge and work full-time in the equestrian industry as a professional coach.

Tanya took BHS Exam Support Courses in 2012 which, she says, were an integral part of her training and without which she doubts she would have had the confidence to gain her BHS Intermediate Instructor. She said: "I trained with four different presenters and though each had differing styles, the information, confidence and support they gave was immeasurable, and I am sure I speak for all delegates when I say this.

"The days did move at relatively fast pace, but they are so interesting you don't notice at the time. It's when you get home and put your feet up that you think – wow, that was an amazing day, and marvel at everything you have learnt. I simply can't praise the courses and presenters enough and highly recommend the days. Even if you are just thinking about whether or not to take the exam, these days will help you to see what you need to work on. Thanks BHS, keep up the good work!"

OUR EDUCATION

Whatever your goals, the BHS is here to help you achieve them. Throughout the year we held many hundreds of local and national training events. Through this work we strive to improve equestrian knowledge and standards, which is vital to the well-being of all horses.

As an Examination Awarding Organisation, we have had to provide a signed statement to Ofqual confirming our compliance with their conditions of regulation and our on-going commitment to comply with regulatory obligations. This is the first year that we've had to commit to a set of formal regulatory requirements.

In return for the hard work involved in ensuring our qualifications (awarded by EQL) meet these exacting conditions, our candidates and stakeholders can be assured that British Horse Society examinations have been rigorously scrutinised prior to inclusion on the Qualifications and Credit Framework (QCF). Our assessors and centres receive robust monitoring to ensure all candidates are assessed to the same exacting standards.

On successful completion of their BHS examinations, employers can be sure that holders of BHS qualifications will make a valuable contribution to their workforce. Training Providers are also more likely to be able to draw down funding for qualifications on the QCF. In addition, the level of each qualification on the QCF is aligned to the European Qualifications Framework (EQF), making it easier to compare qualifications at home and abroad.

In line with our lower level qualifications, the Stage 4 syllabus was approved on the Qualifications and Credit Framework. This examination now comprises six small Level 4 qualifications and offers greater choice and flexibility for candidates.

We designed and developed attractive, user-friendly BHS branded promotional material in order to promote BHS exams and qualifications to members of the public and to the many centres, trainers and training providers who provide the network of support to potential exam candidates.

We organised standard setting training for our 140 assessors to ensure BHS exam standards

are comparable across the four home countries and overseas. We also focused on the importance of assessors combining a customer friendly, yet professional approach. Two new assessors were recruited, who joined the Panel of Assessors following completion of a probationary period.

Following a consultation involving the Fellows of The British Horse Society, the syllabus of the Fellowship examination was updated. Although the content of the exam changed very little, the new format will provide open and transparent assessment methodology in a user friendly format.

Our Equestrian Tourism Qualifications continue to grow in popularity. In excess of 100 candidates took these examinations in 2012. With more qualified escorts being trained to take out riders on treks, hacks and trail rides, we are improving the holiday experience for the public, making it safer when riders are outside the riding establishment.

More than 400 courses were organised for professional equestrians and non-professional enthusiasts this year, resulting in better coaches, the best knowledge in the industry and improved standards of equestrianism. The 400 courses, involving more than 7,000 candidates, covered First Aid, Safeguarding and Protecting Children, Exam Support, Riding and Road Safety, and UK Coaching Certificates.

Our training events also included two National Conventions with around 750 participants plus a number of other sell-out events. We joined forces with the Association of Fellows and Instructors to run a survey on how instructors market themselves and then offered marketing training in the areas people most wanted to improve.

All of our new courses and events developed and organised this year are in response to the needs both of the professional equestrian community and also non-professional equine enthusiasts. Our aim is to educate across all levels through classroom/ lecture events, practical workshops and major conventions.

Our professional Register of Instructors and grooms has more than 2,000 members and continues to grow. We have 400 specialist Riding and Road Safety Trainers training in excess of 5,000 people a year to save lives by becoming safer riders on the road.



ultimately educating the public with a wealth of educational material. The new BHS website provides more for our members by showcasing the extent of what we do for them and for horses.

Your story

BHS Approved Centre, Grove House Stables, has been one of the participants offering local primary children lessons on the Riding Opportunity Scheme. Andrew Stennett, owner of the centre, said: "The scheme has proved a winning formula instilling the benefits of horse care and riding to a group of children who have had little or no opportunity for direct access to horses even though many walked past them on the way to school every morning. The children would happily and excitedly talk about riding and their experiences of interaction with horses. It has had a considerable impact on their school and social life. Teachers reported improved engagement and motivation in the classroom by pupils." To quote one of the participants: "It's totally awesome!"

Our new website is part of an ongoing modernisation programme within the BHS that will give us a strong platform for future developments. The website offers an enhanced experience for members. All the news and events taking place within any given area are easy to locate and will mean members only need to look in one place for every BHS event organised at local or national level. Users will also find it much easier to see what's happening in the wider area if near county or national borders.

Working in association with the Worshipful Company of Saddlers we administer the WCS funded Riding Opportunity Scheme. Through our BHS Approved Riding Schools this scheme provides funding for riding and stable management lessons for disadvantaged children who experience problems in main stream school.

BHS EXPERIENCE – GETTING INVOLVED

With membership benefits to suit everyone and a wealth of local social and educational events and competitions across the country, there is so much to discover with the BHS. Whatever your goals or dreams we will help you achieve them.

Talented riders from across the UK travelled to Warwickshire College in April for the final of the BHS National Equitation Competition, a unique championship in which no competitor owns their own horse.

The competition has now been renamed the BHS National Riding Schools Competition and is growing ever more popular. Financial issues, family commitments, time constraints or difficult living arrangements often conspire to thwart the dream of owning a horse. However, our hardy

The BHS Advice Centre and Bookshop went out to the public at more than 80 shows in 2012. We offered advice to thousands of horse lovers to help them get the most out of their relationship with horses. The BHS Examination Study Packs for Stage 1, Stage 2, Stage 3 and PTT proved particularly popular as helpful guides to those taking their BHS examinations.

Our bookshop increased sales of our BHS examinations packs by more than 35 percent this year, showing the value of these packs for everyone taking their stages. At one of our major shows – The Royal Windsor Horse Show – we continued to hold a Schools Day to showcase horse riding as a great pastime and highlight current issues to school children, with the police sniffer dog being a star guest.

Our BHS Horses Welcome initiative, an approval

scheme for bed and breakfast establishments with equestrian facilities, has linked up with Farm Stay UK to provide more exposure and quality assurance for the programme.

A successful National Proprietors' Conference was held in October at HQ. Proprietors and staff from BHS Approved Centres across the UK attended a variety of interesting presentations with the aim of improving standards at our centres and helping centres run their businesses more effectively.

We also held training and road shows for official stewards, club officials and BHS TREC organisers.

During the year we re-launched our website with a new, more modern look and feel, as well as improved functionality and usability. The site is designed to showcase our work and services and to help us interact easily with users,

The British Horse Society Annual Report 2012

Your story

The first 18 years and over BHS Equitation Champion was Phoebe North from Talland School of Equitation in Gloucestershire. "I've really enjoyed it. I'm pleased that there's an adult section because there are plenty of adults who don't own their own horse and haven't done a competition." Hilary Hughes, Phoebe's coach from Talland, said: "I think it's a tremendous competition and more riding schools ought to get involved because I think it's super for the children and one of the best places for anyone to start competing. Lots of people come to us because we're a training yard, especially those looking to take BHS exams. If they haven't been to a competition, getting a horse ready for a Championship like today allows them to gain valuable experience at competition level. This is the first goal and if they get a taste for it now they're going to want to work hard to achieve more."

The 13 years and under final was won by 13-year-old Mirabel Green who rides at Grovely Riding Centre in Wiltshire. Mirabel began riding at the age of four and is passionate about every aspect of the sport, including helping to care for the horses. "It's just so nice to be around them," she says. Gerry Dunne, proprietor at Grovely Riding Centre is delighted that Mirabel's dedication has paid off. "I'm so pleased for Mirabelle, because I can't tell you how hard she works helping in the yard with the ponies," said Gerry. "She is 100 percent committed and a top girl."

In the 17 years and under Championship, the winner was Megan Fletcher from Arundel Farm Riding and Driving Centre in West Sussex. The 16-year-old, who has been riding at Arundel Farm for nine years, was surprised by her success. "I'm really shocked to have won but extremely happy! I've absolutely loved the competition; it's been so much fun." Alison Leggett the proprietor at Arundel Farm was thrilled with Megan's success. "It's quite a big thing for our competitors here today because other than doing small competitions that we put on at our stables they're not used to going to shows and competitions. Unless they've got their own ponies they can't get out there and do it, so this is a great opportunity."



competitors have not let circumstances get in the way of their dream. Instead, they have become dedicated riders at one of our BHS Approved Riding Centres and, through regional qualifiers, progressed forward to achieved a place at our grand final.

The competition is made up of three parts: a dressage test, a showjumping course and an equine-related general knowledge exam. In 2012 the competition was opened up to adults for the first time, a decision that was very well received.

Many of the past winners have gone on to enjoy horse ownership or a career with horses, so this is the perfect opportunity for non-horse owning youngsters and adults to take part in a national competition, winning prizes and achieving great goals.

The British Horse Society is home to British Riding Clubs and BHS TREC. We continued to support 12 BHS TREC clubs and hold dozens of competitions and events. BHS TREC develops the skills both horse and rider need while out hacking, with three phases testing a rider's ability in orienteering, negotiating obstacles and basic flatwork. With more than 100 competitions throughout Great Britain and Northern Ireland catering for all levels of rider from beginners to experts, BHS TREC is a sport for everyone.

British Riding Clubs once again held six championships for British Riding Clubs and British Horse Society members. Offering a wide range of

Your story

Winners in 2012 of the thrilling Guardrille were Moat View Riding Club with a 'Flight of Fancy'. BRC members Jo Cocker on Cob Dot Com, Amy Williams (Hortons Pink Panther), Buddy Williams (Charme) and Sam Prior (Daisy), formed an avian team. The costumes were incredibly striking and the team were technically brilliant, barely putting a foot wrong in what was an intricate and complex pattern. One of the judges, Major Richard Waygood, couldn't believe it was possible to add anything further to their elaborate costumes but was proved wrong as the flashing fairylights which were threaded through their wings lit up. Richard was particularly impressed with the teams at the final, saying: "Both the level of turnout and performance was superb. It has really raised the bar for future competitions."



Your Story

"Thank you BHS! I was knocked off my bicycle on 23 December 2011 whilst cycling back from the stables. I flew over the bonnet of a car, wrote off my bike, chipped my front teeth and badly bruised my knees. As I wasn't sure how to proceed, I left a message for the BHS Legal Helpline with Darbys on 24 December and received a call back from them on Christmas Day. I can't praise you enough for your timely, considered responses, sound advice and patient guidance. Apart from being an excellent sounding board and letting me know my legal rights and what to expect, Darbys were happy to comment and make alterations to letters I sent to the insurance company. Although happy to take my case on, they recommended approaching the insurance company one last time. This I did, and we have now settled on a fair and reasonable settlement based on information and guidance I received. I am so grateful to the BHS and Darbys for providing this service. I would certainly have struggled without it." – Helen Lawrenson (member)

competitions. The clubs offer a wide range of activities, both equestrian and social, for members of all ages. BRC teamed up with Interdressage, an international online video company, to offer dressage and style jumping competitions for true beginners through to the more advanced rider thus giving riders the opportunity to compete at their Riding Club Centre against riders from all over the world.

We continue to offer great membership benefits to our 74,213 BHS members and 33,500 affiliated BRC members. BHS members were also introduced for the first time to their online members' only area. This brings them a range of services in order to self-serve their membership, opportunity to amend their name and address details and renew their membership, along with a wider range of payment options which now includes a popular option of monthly direct debit.

OUR PEOPLE

This year saw many system and process improvements as part of our comprehensive IT modernisation programme, which aims to help our staff and volunteers achieve our goals and deliver more for all our members.

As already mentioned, we relaunched our website and also installed a Microsoft Dynamics Customer Relationship Management (CRM) System. This gives us a single view of all supporter data and offers important marketing information. Phase one of this installation has established Welfare Case Management, Committee Volunteers, British Riding Clubs and BHS Approvals onto the system.

Through a comprehensive communications audit carried out during the year, we are able to understand how we currently communicate with our audience and has set the model for how we intend to move forward in the future.

opportunities for our members to compete at local, national and international level across a range of disciplines from dressage and showjumping to showing and cross-country. We also have several classes at some of the biggest equestrian events in the UK, including Olympia, Royal Windsor and The Royal International Horse Show.

Olympic fever certainly seems to have spurred more competitors to try something new and different this year and we have also introduced lower level competitions in showjumping and

horse trials to cater for more grass roots riders. Judges report improvements in the standard of overall grassroots riding which is benefiting all horses.

British Riding Club Centre Membership, available exclusively at BHS Approved Riding Schools, really took off throughout the year with 50 percent more clubs starting up. Designed to give grassroots riders (often non-horse owning riders) a fun and supportive club, that gives them a structure of training assessments and

Your Story

"The BRC Riding Club has done so much for us at Tumpy Green. It has given a real energy to our adult riders, and the unmounted events are great for the whole family to get involved." – Nikki Secker, BRC Centre Coordinator at Tumpy Green BRC Centre, Gloucestershire.

"Becoming a BRC Centre member has given me more of a goal and knowing you can take part in competitions means you have something real to aim towards" – Cassie Senn a member of Radway BRC Centre who is enjoying the Centre Membership experience.



The British Horse Society Annual Report 2012

The outline has been created for future membership packages along with improved benefits we wish to offer to our key audiences. Supporting the programme we have held a series of workshops and training sessions for staff, as well as technical training for the system changes.

As an Investors in People organisation, we take training and development very seriously: 76 separate training events took place for staff during 2012, ranging from technical/professional training to skills workshops. Training has been delivered both internally and by external providers.

Our Management Development Programme has offered our leaders support on managing change, as well as other management skills. For volunteers, a conference was held for Committee Chairmen and Treasurers which offered guidance and advice on a variety of topics relevant to these key volunteers.

As a result of the Modernisation Programme some new roles have been created, including a systems developer and a webmaster. We continue to foster links locally with schools and colleges providing both work experience for students and apprenticeship opportunities, often leading to job opportunities with the Society.

Performance management is key to the success of the Society. It is vital that staff have clear, measurable objectives and regular reviews are held as part of our management processes. We also aim for our staff to be fairly rewarded for the jobs they do so, in addition to pay, we provide a range of benefits which are regularly reviewed and updated.

This year we launched an online portal for the Society's pension scheme, providing greater access and flexibility for pension members. As a result, there was an increased uptake of the pension by 30 percent. This launch provided valuable group and individual sessions for staff with our pension advisors.

FINANCIAL REVIEW AND POLICIES

The Accounts, which form part of this report, comply with the requirements of the Accounting and Reporting by Charities; Statement of Best Practice 2005 (SORP). The Trustees consider that in preparing these accounts, they have consistently applied appropriate accounting policies supported by reasonable judgements and estimates where required.

FINANCIAL RESERVES POLICY

The Board has reviewed its Reserve Policy which allows for any unexpected reductions in income in order to ensure a sustainable future. The Board has confirmed that the Society will continue to hold a minimum of free, unrestricted reserves equal to three months expenditure. The free, unrestricted reserves are equivalent to the free charitable funds after deduction of the value of the freehold property. At 31 December 2012 these amounted to £3.6million, equal to five months expenditure.

INVESTMENT POLICY

Trustees undertook a review of the Society's Investment Policy during the year. It is now the Society's policy to invest surplus funds in UK based banks or other institutions. These investments take the form of cash deposits only and are limited to £1million plus interest with each bank or institution.

FINANCIAL REPORT FOR THE YEAR

Overall, the Society's income remained at the same level as the previous year. Given the continuing difficult economic conditions during the year this represents a satisfactory performance.

The overall number of members at the end of the year was 74,213. An increase in members' subscriptions was achieved primarily due to the increase in the subscription rate. Trustees consider it important to recognise the level of inflation when setting subscription fees in order to ensure the Society continues to achieve its charitable aims. A reduction in the amount received from legacies and from Gift Aid in the year together with the absence of raffle income, offset the increase in subscription income.

A small loss was recorded for the Trading Company over the year. Trading activities were adversely affected by the weather conditions over the summer months, which led to the cancellation of a number of events and poor performance at others.

The decision of the Board to invest the surplus reserves in major projects has resulted in a higher level of expenditure in 2012. The largest area of expenditure was in the 'modernisation programme' which was approved by Trustees in 2011. This much needed programme of investment in the infrastructure of the Society will lead to the effective and efficient delivery of services to members, examinations and, importantly, the charitable aims of the Society. Trustees have also taken the decision to recognise the long-standing liability in relation to the end of lease commitments on the two buildings situated on the showground.

The Board seeks to ensure that all expenditure delivers the best value possible to the Society and will continue to do this in the coming year.

Based on local membership numbers, the Board continued to support the invaluable voluntary activities undertaken by county committees by the distribution of funds to those committees to assist in the funding of expenses incurred.

Signed on behalf of the Board of Trustees

Mrs Claire Aldridge
Chairman

23 April 2013

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

We have audited the accounts of The British Horse Society for the year ended 31 December 2012 which comprise the Accounting Policies, the Group Statement of Financial Activities, the Group Cash Flow Statement, the Balance Sheets and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

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

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

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

SCOPE OF THE AUDIT OF THE ACCOUNTS

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes

an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the accounts.

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

OPINION ON ACCOUNTS

In our opinion the accounts:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2012 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Robert Kirtland, Senior Statutory Auditor

For and on behalf of Critchleys LLP, Statutory Auditor

24 May, 2013

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

ACCOUNTING POLICIES

1 BASIS OF ACCOUNTING

The accounts have been prepared in accordance with the statement of recommended practice 'Accounting and Reporting by Charities' issued in 2005 and with applicable accounting standards. They are drawn up under the historical cost accounting rules with the exception of investments which are stated at market value. No separate income and expenditure account is presented for the Society as provided by Section 408 of the Companies Act 2006. The income and expenditure of the trading subsidiary are shown gross in the statement of financial activities.

2 BASIS OF CONSOLIDATION

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

3 INCOMING RESOURCES

All income is stated net of VAT, where VAT is chargeable. There have been no significant changes in operations during the year. Income received for training courses, examinations and events is included in the statement of financial activities on the date on which the course, examination or event occurs. Income received in advance is included within creditors. Gift Aid income resulting from membership is accounted for on a receivable basis. Other income, including affiliation fees, is recognised when it is received.

4 SUBSCRIPTIONS

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

5 LEGACIES AND DONATIONS

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

6 DEPRECIATION

Tangible fixed assets costing more than £500 are capitalised and included at cost including any incidental expenses of acquisition. Tangible fixed assets are depreciated from the date of acquisition on a straight line basis to write off their cost over their expected useful lives. The annual rates applied to the principal items are:

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

7 OPERATING LEASES

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

8 DEFINED CONTRIBUTION PENSION SCHEME

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

9 STOCKS

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

10 INVESTMENTS

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

11 FUNDS

Other Charitable funds are unrestricted funds which are available for the use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the accounts. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the accounts.

12 RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular heading they have been allocated to activities on the basis consistent with the use of the resources. All support costs have been allocated on the basis of number of employees. Fundraising costs are those incurred in seeking voluntary contributions. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Governance costs consist of audit fees and the direct costs of the Board of Trustee Meetings.

GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Unrestricted funds £	Restricted funds £	Total 2012 £	Total 2011 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income	1	146 404	87 491	233 895	402 732
Activities for generating funds:					
Trading Income		273 241	0	273 241	273 887
Advertising and inserts in magazines		331 635	0	331 635	350 796
Challenge Rides		0	176 638	176 638	90 097
Commissions Received		32 133	0	32 133	36 305
Other income	2	51 642	270	51 912	99 736
Investment income	3	186 646	0	186 646	184 574
Incoming resources from charitable activities					
Members Subscriptions	4	4 125 873	0	4 125 873	4 001 396
Examinations and Other fees		2 355 356	0	2 355 356	2 358 157
Events		584 585	0	584 585	591 877
Total incoming resources		8 087 515	264 399	8 351 914	8 389 557
Resources expended					
Cost of Generating Funds	6	605 530	174 482	780 012	614 329
Charitable Activities	6	7 886 031	99 302	7 985 333	7 150 848
Governance Costs	6	56 663	0	56 663	32 307
Total resources expended	6	8 548 224	273 784	8 822 008	7 797 484
Net incoming (outgoing) resources before transfers		(460 709)	(9 385)	(470 094)	592 073
Transfers between funds		0	0	0	0
Net incoming resources (resources expended)		(460 709)	(9 385)	(470 094)	592 073
Net gains (losses) on investment assets		3 684	0	3 684	(1 346)
Net movement in funds		(457 025)	(9 385)	(466 410)	590 727
Fund balances brought forward at 31 December 2011		9 205 688	329 014	9 534 702	8 943 975
Fund balances carried forward at 31 December 2012		8 748 663	319 629	9 068 292	9 534 702

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

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

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £	2011 £
Net cash inflow from operating activities	17 193	1 591 961
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	(1 106 084)	(238 983)
Management of liquid resources		
Investment in short term deposits	781 791	(796 327)
	<u>(307 100)</u>	<u>556 651</u>

Notes to the group cash flow statement

	2012 £	2011 £
Reconciliation of net incoming resources to net cash inflow from operating activities		
Net Incoming resources	(470 094)	592 073
Depreciation	591 308	381 466
Loss (Profit) on Sale of Assets	0	0
Decrease (increase) in stocks	5 041	13 509
Decrease (increase) in debtors	(24 036)	413 256
Increase (decrease) in creditors	(85 026)	191 657
Net cash inflow from operating activities	<u>17 193</u>	<u>1 591 961</u>

	2011 £	Cash flows £	Other changes £	31 Dec 12 £
Cash at bank	1 667 380	(307 100)	0	1 360 280
Current asset investments	42 917	3 684	0	46 601
Short term deposits	4 818 004	(781 791)	0	4 036 213
	<u>6 528 301</u>	<u>(1 085 207)</u>	<u>0</u>	<u>5 443 094</u>

	2012 £
Reconciliation of net cash flow to movement in net funds	
Increase (decrease) in cash for the year	(307 100)
Net inflow (outflow) from liquid resources	(781 791)
Realised gains on revaluations in the year	0
Release of Unrealised gains on sale	0
Unrealised gains (losses) on revaluations in the year	0
Net inflow (outflow) from Investment shares	3 684
Change in net debt	(1 085 207)
Net funds at 31 December 2011	6 528 301
Net funds at 31 December 2012	<u>5 443 094</u>

BALANCE SHEET – GROUP AND THE SOCIETY AT 31 DECEMBER 2012

	Note	Group		The Society	
		2012 £	2011 £	2012 £	2011 £
Fixed assets					
Tangible assets	8	5 019 898	4 505 122	5 019 898	4 505 122
Investments	9	0	0	5 000	5 000
		<u>5 019 898</u>	<u>4 505 122</u>	<u>5 024 898</u>	<u>4 510 122</u>
Current assets					
Stocks		149 845	154 886	0	0
Debtors	10	960 282	936 246	1 085 832	1 028 299
Term Deposits & Investments	11	4 082 814	4 860 921	4 082 814	4 860 921
Cash at bank and in hand		1 360 280	1 667 380	1 331 889	1 636 683
		<u>6 553 221</u>	<u>7 619 433</u>	<u>6 500 535</u>	<u>7 525 903</u>
Current liabilities					
Creditors due within one year	12	2 504 827	2 589 853	2 467 268	2 515 989
Net current assets		<u>4 048 394</u>	<u>5 029 580</u>	<u>4 033 267</u>	<u>5 009 914</u>
Net assets		<u>9 068 292</u>	<u>9 534 702</u>	<u>9 058 165</u>	<u>9 520 036</u>
Represented by					
Income funds					
Restricted funds	15	319 629	329 014	319 629	329 014
Unrestricted funds					
Designated funds	16	5 108 834	4 017 914	5 108 834	4 017 914
Other charitable funds	17	3 629 702	5 173 108	3 629 702	5 173 108
Non-charitable trading funds	17	10 127	14 666	0	0
Total reserves		<u>9 068 292</u>	<u>9 534 702</u>	<u>9 058 165</u>	<u>9 520 036</u>

The accounts were approved and authorised for issue by the Board on 23 April 2013 and signed on its behalf by
Mrs C Aldridge – Chairman
Mrs C Blackford – Treasurer

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £	2011 £
1 Voluntary Income		
Donations receivable include the following:		
Mrs B E Packer deceased	46 637	0
Mr W D Lyons deceased	81 232	10 000
Mrs G I Scolding deceased	0	98 894
Ms F Lynch deceased	0	10 927
Mrs P I Hodgson deceased	0	131 307
Ms C E Wood deceased	0	22 000
Mr E England Kerr deceased	0	11 121
Grants receivable include the following:		
Sport England	28 600	17 100
Sports Councils for Northern Ireland	5 449	39 167
2 Other income		
Raffle Income	85	35 371
Prior year VAT rebate	0	6 078
Other income includes consultancy and miscellaneous items	51 827	58 287
	<u>51 912</u>	<u>99 736</u>
3 Investment income		
Income from listed investments	3 045	2 752
Income from investment property	95 235	112 203
Interest receivable	88 366	69 619
	<u>186 646</u>	<u>184 574</u>
4 Members subscriptions		
During the year to 31 December 2012, members subscriptions were £3,903,210 Gift Aid of £222,663 was claimed, of which £2,141 related to prior years		

5 Subsidiary company

The Society has one wholly owned trading subsidiary, which is incorporated in England. The British Horse Society (Trading Company) Limited undertakes the trading activities of the Society and covenants its taxable profits to the Society.

The trading results of the Subsidiary are included within the consolidated accounts.

Audited accounts have been filed with the Registrar of Companies.

A summary of the results of the subsidiary is shown below.

	2012 £	2011 £
The British Horse Society (Trading Company) Limited		
Turnover	678 854	698 761
Cost of Sales	683 393	676 187
Gross profit/(loss)	(4 539)	22 574
Gift Aid Donation to Charity	0	22 574
Net profit/(loss)	(4 539)	0
The aggregate of the assets, liabilities and funds was:		
Assets	306 070	342 503
Liabilities	(290 943)	(322 837)
Funds	15 127	19 666

6 Analysis of total resources expended

	Activities undertaken directly	Support Costs	Total 2012	Activities undertaken directly	Support Costs	Total 2011
Cost of Generating Funds	£	£	£	£	£	£
Fundraising trading: costs of goods sold and other costs	611 086	168 926	780 012	459 734	154 595	614 329
Charitable Activities						
Membership Services	2 832 800	961 262	3 794 062	2 616 008	817 158	3 433 166
Training, examinations and approvals	1 632 877	844 621	2 477 498	1 549 442	567 914	2 117 356
Safety, access and welfare	581 262	434 378	1 015 640	505 232	350 210	855 442
Events	573 448	124 685	698 133	647 078	97 806	744 884
	5 620 387	2 364 946	7 985 333	5 317 760	1 833 088	7 150 848
Governance Costs	56 663	0	56 663	32 307	0	32 307
Total resources expended	6 288 136	2 533 872	8 822 008	5 809 801	1 987 683	7 797 484

Support Cost Breakdown by Activity (Basis of allocation is No. of employees)

	Fundraising Trading	Membership Services	Training Exams & Approvals	Safety Access & Welfare	Events
Support Cost	£	£	£	£	£
Management	38 141	217 036	190 700	98 074	28 152
Media and Public Liaison Office	20 267	115 330	101 336	52 116	14 959
Finance	20 884	118 840	104 420	53 702	15 415
Personnel	9 359	53 259	46 796	24 067	6 908
Computer Services	17 325	98 585	86 623	44 549	12 787
Facilities	25 000	142 262	125 000	64 286	18 453
Depreciation	37 950	215 950	189 746	97 584	28 011
Total	168 926	961 262	844 621	434 378	124 685

Governance costs includes:

	2012 £	2011 £
Auditors' remuneration for audit work	13 200	13 230
for non-audit work	1 065	1 204

Within Resources Expended are operating lease rentals:

	2012 £	2011 £
for land and buildings	50 329	46 492
for plant and machinery	7 357	7 265

7 Trustees and employees

Trustees

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

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

	2012 £	2011 £
The cost of travel and subsistence reimbursed to 13 trustees during the year amounted to	28 946	20 916
Chairman's remuneration:		
Dr P Wadey	992	7 183
Mrs L Petersen	5 250	0
Mrs C Broad FBHS	656	0

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

	2012 £	2011 £
Mrs C Broad FBHS	2 665	5 189
Mr D Kear BHSI	3 975	1 727
Miss M Tiffany BHSI	0	1 638
	6 640	8 554

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

Staff costs	2012 £	2011 £
Wages and salaries	2 469 795	2 213 341
Social security costs	241 823	215 306
Pension Costs	161 335	142 671
Life assurance costs	17 319	7 906
Other costs and employee benefits	102 621	79 653
	<u>2 992 893</u>	<u>2 658 877</u>

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

Other costs and employee benefits include medical benefits and engagement expenses.

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

	Number	Number
£180,001 - £190,000	1	0
£100,001 - £110,000	0	1
£80,001 - £90,000	1	0
£70,001 - £80,000	1	1
£60,001 - £70,000	0	1

The items used to determine the above values are gross salary, employer's contribution for life cover and the taxable value of benefits in kind. An amount of £23,493, (2011 £22,482) was contributed to a defined contribution pension scheme for the three employees whose emoluments exceeded £60,000

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

	2012	2011
Charitable activities	81	77
Cost of generating funds	6	7
	<u>87</u>	<u>84</u>

8 Tangible fixed assets Group and The Society

	Database £	Freehold Property £	IT Modernisation £	Plant, Fixtures & Equipment £	Total £
Cost					
At 31 December 2011	411 813	4 125 202	39 297	1 050 229	5 626 541
Additions	3 453	5 903	731 387	365 341	1 106 084
Disposals	0	0	0	(53 770)	(53 770)
At 31 December 2012	<u>415 266</u>	<u>4 131 105</u>	<u>770 684</u>	<u>1 361 800</u>	<u>6 678 855</u>
Depreciation					
At 31 December 2011	313 216	178 469	1 092	628 642	1 121 419
Charge for the year	49 948	153 244	151 746	236 370	591 308
Disposals	0	0	0	(53 770)	(53 770)
At 31 December 2012	<u>363 164</u>	<u>331 713</u>	<u>152 838</u>	<u>811 242</u>	<u>1 658 957</u>
Net book value					
At 31 December 2012	<u>52 102</u>	<u>3 799 392</u>	<u>617 846</u>	<u>550 558</u>	<u>5 019 898</u>
At 31 December 2011	<u>98 597</u>	<u>3 946 733</u>	<u>38 205</u>	<u>421 587</u>	<u>4 505 122</u>

All fixed assets owned by the Society, are used for direct charitable purposes. Included in Freehold property is £300,000 of land which is not depreciated. The Society also owns Royal International Horse Show trophies, the values of which are not included in the fixed asset values above.

9 Fixed asset investments

The Society	2012 £	2011 £
Shares in subsidiary undertaking: At 31 December	5 000	5 000

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

Group and the Society

Leasehold property	2012 £	2011 £
Cost		
As at 31 December 2011 and 31 December 2012	94 081	94 081
Depreciation		
As at 31 December 2011 and 31 December 2012	94 081	94 081
Net book value		
As at 31 December 2011 and 31 December 2012	0	0

By 30 April 1998, the move to new offices on Abbey Park was complete and the former main offices were leased to British Equestrian Federation Limited.

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

10 Debtors: amounts falling due within one year	Group		The Society	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	196 837	236 199	69 004	79 279
Loans to event organisers	24 975	34 000	24 975	34 000
Current account with subsidiary undertaking	0	0	253 383	248 973
Other Debtors	272 100	190 153	272 100	190 153
Prepayments	466 370	475 894	466 370	475 894
	<u>960 282</u>	<u>936 246</u>	<u>1 085 832</u>	<u>1 028 299</u>

11 Term Deposits and Investments Group and The Society	Group		The Society	
	2012	2011	2012	2011
	£	£	£	£
Term Deposits at cost				
Santander – Fixed term deposit account			0	1 075 533
Royal Bank of Scotland – customer bid deposit account			52 558	52 164
Co-Operative bank – Fixed term deposit account			1 000 000	1 508 232
Bank of Scotland – Fixed term deposit account			1 010 875	1 760 875
CCLA Charity deposit fund			972 780	421 200
Close Brothers – Fixed term deposit account			1 000 000	0
			<u>4 036 213</u>	<u>4 818 004</u>
Analysis of listed investments at market value				
3.5% war stock			3 824	4 052
M & G charifund income units			42 777	38 865
			<u>46 601</u>	<u>42 917</u>
			<u>4 082 814</u>	<u>4 860 921</u>
Listed investments at cost			<u>49 900</u>	<u>49 900</u>

12 Creditors due within one year	Group		The Society	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	304 141	419 470	287 527	413 864
PAYE, NI and VAT payable	18 060	33 073	0	301
Other creditors	44 296	105 951	44 211	105 863
Accruals	200 682	109 034	197 882	105 589
Subscriptions received in advance	1 740 934	1 669 529	1 740 934	1 669 529
Other income received in advance	196 714	252 796	196 714	220 843
	<u>2 504 827</u>	<u>2 589 853</u>	<u>2 467 268</u>	<u>2 515 989</u>

13 Deferred Income	Group		The Society	
	2012	2011	2012	2011
	£	£	£	£
Balance at 1 January 2012			1 922 325	1 890 372
Amount released to incoming resources			(1 922 325)	(1 890 372)
Amount deferred in the year			1 937 648	1 937 648
Balance at 31 December 2012			<u>1 937 648</u>	<u>1 937 648</u>

Deferred income comprises subscriptions and fees received in advance.

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

15 Restricted funds Group and The Society	At 1 January 2012			At 31 December 2012		
	Income	Expenditure	December 2012	Income	Expenditure	December 2012
	£	£	£	£	£	£
Year of the Horse Development fund	27 350	0	(2 741)	24 609		
Event Organisers' loan funds	70 872	0	0	70 872		
The Bodyfoel fund	11 315	10	0	11 325		
The Saddlers' Training fund	27 871	0	(4 300)	23 571		
The Horse and Hound Training fund	5 293	0	(984)	4 309		
W W Thomson Bursary fund	25 619	581	(780)	25 420		
The John Yates Bursary fund	1 443	0	(400)	1 043		
Irene Heppell York fund	25 436	0	0	25 436		
Patrick Pony Welfare fund	0	4 627	0	4 627		
Heather Lucas Memorial Bursary	300	0	(200)	100		
Access Ride leaflets	6 609	68	(130)	6 547		
Grants including Sports Council	25 860	76 185	(76 201)	25 844		
Challenge Rides Welfare fund	0	176 638	(176 638)	0		
Mrs K Edgar Fund	11 785	927	(1 275)	11 437		
Caroline Pratt Memorial Fund	153	0	0	153		
Access Fighting Fund	33 262	5 082	0	38 344		
Welfare and Horse Rescue	5 000	0	(1 189)	3 811		
Donations from Trusts	35 940	282	(978)	35 244		
Saddle Up Cheshire	14 906	0	(7 969)	6 937		
Total Restricted funds	<u>329 014</u>	<u>264 400</u>	<u>(273 785)</u>	<u>319 629</u>		

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

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

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

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

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

The Patrick Pony Welfare fund was set up to fund the care of an abandoned foal and other welfare cases.

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

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

The Challenge Rides Welfare fund was created by the challengers of the Peru, Spain, Iceland and India rides for welfare assistance and training.

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

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

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

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

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

16 Designated funds Group and The Society	At 1 January 2012				At 31 December 2012	
	Transfers	Income	Expenditure	December 2012	£	£
	£	£	£	£	£	£
Road Safety fund	14 168	0	0	(2 331)	11 837	
Bridleways fund	6 848	0	6 000	0	12 848	
Access Legal fund	13 157	0	0	0	13 157	
Miss P C M Barnes fund	36 002	0	0	(12 569)	23 433	
Blackdown Hills Project	1 006	0	0	0	1 006	
Capital Reserve	3 946 733	(147 342)	0	0	3 799 391	
IT Modernisation Reserve	0	1 247 162	0	0	1 247 162	
Total Designated funds	<u>4 017 914</u>	<u>1 099 820</u>	<u>6 000</u>	<u>(14 900)</u>	<u>5 108 834</u>	

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

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

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

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

The IT Modernisation Reserve represents an amount equal to the Net Book Value of the assets of the IT Modernisation Programme and the estimated amount of future expenditure for completion of this project.

17 Other charitable funds Group and The Society	2012		2011	
	£	£	£	£
At 31 December 2011	5 173 108	4 295 356		
Deficit for the year	(443 586)	730 843		
	<u>4 729 522</u>	<u>5 026 199</u>		
Transferred from restricted funds - note 15	0	0		
Transferred from (to) designated funds - note 16	(1 099 820)	146 909		
At 31 December 2012	<u>3 629 702</u>	<u>5 173 108</u>		

Non-charitable trading funds Group	At 31 December 2011		At 31 December 2012	
	£	£	£	£
At 31 December 2011	14 666	14 666		
Deficit for the year	(4 539)	0		
At 31 December 2012	<u>10 127</u>	<u>14 666</u>		

18 Analysis of group net assets between funds	Unrestricted funds		Restricted funds		Total funds	
	£	£	£	£	£	£
Fund balances at 31 December 2012 are represented by :						
Tangible fixed assets	5 019 898	0	5 019 898			
Investments	3 763 185	319 629	4 082 814			
Other Current assets	2 470 407	0	2 470 407			
Creditors	(2 504 827)	0	(2 504 827)			
Total net assets	<u>8 748 663</u>	<u>319 629</u>	<u>9 068 292</u>			

Unrealised gains (losses) included above			
On investment assets (see below)	(3 299)	0	(3 299)

Reconciliation of movements in unrealised gains (losses) on investment assets			
Unrealised gains (losses) at 31 December 2011	(6 983)	0	(6 983)
Release of Unrealised Gains in year	0	0	0
Add net loss on revaluations in the year	3 684	0	3 684
Unrealised gains (losses) at 31 December 2012	<u>(3 299)</u>	<u>0</u>	<u>(3 299)</u>

19 Guarantees and other financial commitments	2012	2011
Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 December 2013	£	£
expiring within one year		
for land and buildings	1 588	10 936
for plant and machinery	2 280	0
	<u>3 868</u>	<u>10 936</u>
expiring within two to five years		
for land and buildings	45 052	0
for plant and machinery	5 232	8 083
	<u>50 284</u>	<u>8 083</u>
expiring after five years		
for land and buildings	0	37 542
for plant and machinery	0	0
	<u>0</u>	<u>37 542</u>

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