
HORSE SPORT IRELAND
(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

HORSE SPORT IRELAND
(A Company Limited by Guarantee)

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HORSE SPORT IRELAND
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COMPANY INFORMATION

Directors	Kevin Smyth (appointed 8 December 2022) Michael Christopher Dowling (appointed 29 November 2022) Niamh Brennan (appointed 29 November 2022) Zoe Kavanagh (appointed 29 November 2022) Paul Duffy (resigned 11 November 2022) David O'Meara (resigned 4 November 2022) Claire Hughes (resigned 11 November 2022) Lucinda Creighton (resigned 11 November 2022) Mary Lambkin (resigned 4 November 2022) Joe Reynolds (resigned 17 November 2022) Edward Doyle (resigned 17 November 2022) Tom Freyne (resigned 11 November 2022)
Company secretary	Killian Carroll (appointed 16 June 2023)
Registered number	432092
Registered office	1st Floor Beech House Millennium Park Osberstown Naas Co. Kildare
Independent auditors	CLA Evelyn Partners (Ireland) Limited Chartered Accountants and Statutory Audit Firm Paramount Court Corrig Road Sandyford Business Park Dublin 18
Bankers	Allied Irish Bank 41 South Main Street Naas Co. Kildare
Solicitors	DAC Beachcroft LLP Three Haddington Buildings Percy Place Dublin 4
Date of incorporation	20 December 2006

HORSE SPORT IRELAND
(A Company Limited by Guarantee)

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their Report and the audited financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of Horse Sport Ireland CLG is to act as the centralised national governing body for the sport horse sector in Ireland and to co-ordinate the breeding, sports and leisure aspects of the industry. Horse Sport Ireland CLG is the key agency for the delivery of Breeding Services and Studbook Services on behalf of the Department of Agriculture, Food and the Marine and is recognised as the governing body for the equestrian sector in Ireland by the Olympic Federation of Ireland, Sport Ireland, Paralympics Ireland, The Fédération Equestre Internationale and Sport Northern Ireland.

Business review and future developments

The directors consider the company's performance to be in line with expectations for the year ended 31 December 2022. It is not expected that there will be any significant changes or additions to the principal activities of the organisation during the next financial period.

The company plans to maintain its present activities throughout 2023, having received increased funding allocation and is planning to increase disbursements accordingly.

The inflationary pressures, relating to the ongoing conflict in Ukraine and other factors, present ongoing challenges for the company and the sport horse sector. The company will continue to monitor, and mitigate where possible, the impact of these conditions.

The company continues to seek additional income from existing and alternative sources to progress the objectives of the company outlined in the 2019 to 2024 Strategic Plan. The company is forecasting a neutral outcome for 2023.

Results

The deficit for the year, after taxation, amounted to €100,351 (2021: €318,909).

HORSE SPORT IRELAND
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Directors

The directors who served at any time during the financial year were:

Kevin Smyth (appointed 8 December 2022)
Michael Christopher Dowling (appointed 29 November 2022)
Niamh Brennan (appointed 29 November 2022)
Zoe Kavanagh (appointed 29 November 2022)
Paul Duffy (resigned 11 November 2022)
David O'Meara (resigned 4 November 2022)
Claire Hughes (resigned 11 November 2022)
Lucinda Creighton (resigned 11 November 2022)
Mary Lambkin (resigned 4 November 2022)
Joe Reynolds (resigned 17 November 2022)
Edward Doyle (resigned 17 November 2022)
Tom Freyne (resigned 11 November 2022)

In November 2022, there were resignations from the Board of Directors as detailed above. All of the resignations were in respect of ministerial appointments and therefore the Minister for Agriculture, Food and the Marine appointed Niamh Brennan, Michael Christopher Dowling, Zoe Kavanagh and Kevin Smyth in November and December 2022 to fill the vacancies created by the resignations.

Political contributions

The company made no political donations during the year, as defined by the Electoral Act 1977.

Principal risks and uncertainties

The company is exposed to minimal currency risks. The main risks facing the company are credit risk, liquidity risk, which includes interest rate risk. The company is also exposed to general economic risk, including changes in economic outlook and government changes in policy.

The company's senior management oversees the management of these risks and ensures these risks are governed by appropriate policies and procedures.

Accounting records

The measures taken by the directors to ensure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 regarding the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at Beech House, Millennium Park, Osberstown, Naas, Co. Kildare.

HORSE SPORT IRELAND
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Statement on relevant audit information

Introduction

The current directors of Horse Sport Ireland assumed their positions in November and December 2022, which means they did not participate in the management or oversight of the company's financial and operational activities for a significant portion of the year under review.

Directors' Acknowledgement

Each of the individuals serving as directors at the time when this Directors' Report is approved has confirmed that:

- as far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Given their recent appointment, the directors were not actively engaged in the affairs of the company during the fiscal year 2022. Consequently, they had no direct influence or control over the company's financial and operational activities during this period.

In light of their limited tenure, the directors rely heavily on the assurances and expertise provided by the senior management team. Specifically, they place their trust in:

- Denis Duggan, CEO;
- Avalon Everett, Head of Sport, Legal, and Governance;
- Killian Carroll, CFO (Interim)

The directors also express their gratitude to the Audit and Risk Committee former chairman for his invaluable assistance in providing insight and assurances regarding the company's financial and operational matters.

The parties noted above combined, have been instrumental in the Board's efforts to ensure transparency and compliance with auditing standards.

Confirmation of Due Diligence

The directors affirm that they have taken all the necessary steps required of their role to be aware of any relevant audit information. Furthermore, they have ensured that the company's auditors are fully informed of all pertinent information within their knowledge.

Post balance sheet events

There have been no significant events affecting the company since the year end, which require disclosure in the financial statements.

HORSE SPORT IRELAND
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern

In the financial statements, the directors have expressed significant concerns regarding the fragile state of the balance sheet, which raises important considerations for the company's ability to continue as a going concern. The directors have noted that the current financial position is characterised by a delicate balance sheet between assets and liabilities, with limited working capital and liquidity challenges.

These concerns stem from factors such as increased spending over successive years, declining cash reserves, and uncertainties surrounding future revenue streams. The business is almost entirely dependent on funding streams from Sport Ireland and The Department of Food, Agriculture and the Marine. The timings of these revenue streams and the recovery nature of the grant disbursements creates a significant challenge for the business to continue and it is imperative for stakeholders to recognise that the balance sheet may impact the company's capacity to meet its financial commitments and fund its ongoing operations.

Therefore, the directors emphasise the need for a comprehensive assessment of strategies to strengthen the financial position, including capital infusion, cost management, and revenue diversification, to ensure the long term sustainability and viability of the business as a going concern. The directors consider it appropriate to prepare the financial statements on the going concern basis.

Auditors

The auditors, CLA Evelyn Partners (Ireland) Limited, have indicated their willingness to continue in office in accordance with section 383(2) of the Companies Act 2014.

This Report was approved by the board on 29 September 2023 and signed on its behalf.

Niamh Brennan
Director

Kevin Smyth
Director

HORSE SPORT IRELAND
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STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED 31 DECEMBER 2022

Scope of Responsibility

On behalf of the Board of Horse Sport Ireland CLG, we as directors acknowledge the Board's responsibility for ensuring that an effective system of internal control is maintained and operated in respect of Horse Sport Ireland CLG. This responsibility takes account of the requirements of the Code of Practice for the Governance of State Bodies (2016), and the business has chosen to voluntarily adhere to the Code of Practice and will be fully compliant by December 2023.

Purpose of the System of Internal Control

The system of internal control is designed to manage risk within a clearly articulated risk framework. The system is designed to provide reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or detected in a timely way.

The system of internal control, which accords with guidance issued by the Department of Public Expenditure and Reform (DPER 13/2014), has been in place in Horse Sport Ireland for the year ended 31 December 2022 and up to the date of approval of the financial statements. As part of the process of the audit, the Audit and Risk Committee have initiated a review of all financial policies and procedures. This review will be completed in 2023.

The System of Internal Control is built on a framework of:

- Regular financial information;
- Administrative procedures including segregation of duties and responsibilities and a system of delegation and accountability;
- A comprehensive annual budgeting system, including approval by the Board of HSI's budget;
- The controls over all systems and ICT networks;
- Regular reviews by the Board of financial reports and key performance activity with performance measured against budgets;
- Compliance with purchasing policies and procedures;

Capacity to Handle Risk

Horse Sport Ireland's Audit and Risk Committee comprises two Board members and one external member, with financial and audit expertise, one of whom is the Chair. The Audit and Risk Committee met six times in 2022. Horse Sport Ireland has an outsourced internal audit function which is adequately resourced and conducts a programme of work agreed with the Audit & Risk Committee. The internal audit function reports directly to the Audit and Risk Committee which in turn reports to the Board of Horse Sport Ireland. As part of the planning for the 2024 internal audit programme, management will present a schedule of proposed activities to the Audit and Risk Committee.

In 2022, one internal audit report was presented to the Audit and Risk Committee.

The risk management policy, which sets out the organisation's risk appetite, was drawn up in 2018. However, the Audit and Risk Committee has overseen the refinement of a risk management policy which sets out the organisation's risk appetite, the risk management processes and details the roles and responsibilities of staff in relation to risk management. This policy was approved by the Board in 2022. The policy has been issued to all relevant personnel who are required to implement Horse Sport Ireland's risk management policy, to alert management on emerging risks and control weaknesses and assume responsibility for risks and reporting on risks and controls within their own area of work. A formal process to identify and evaluate organisation business risks is in place.

Risk and Control Framework

Horse Sport Ireland has a risk register which sets out key risks and the management actions being taken to address and, to the extent possible, to mitigate those risks. The Board reviews the risk register as a standing item on the agenda at each Board meeting.

The Board has taken steps to ensure an appropriate control environment is in place through:

- A clearly defined Management Structure within Horse Sport Ireland and its subsidiary with clarity on management responsibilities and functions;
- Developing a strong culture of accountability across all levels of the organisation;
- Establishment of formal procedures to monitor activities and safeguard the assets of all companies within the organisation;
- Establishing procedures for reporting significant control failures and ensuring appropriate corrective action is taken;
- Establishment of systems aimed at safeguarding the security of the information and communication technology systems;
- Implementing control procedures over grant funding to outside entities to ensure adequate control over approval of grants;
- and monitoring and reviewing of grantees to ensure grant funding has been applied for the purpose intended; and
- An appropriate budgeting system with an annual budget which is kept under review by senior management.

Ongoing Monitoring & Review

Formal procedures have been established for monitoring control processes and control deficiencies are communicated to those responsible for taking corrective action and to management and the Board, where relevant, in a timely way. The following ongoing monitoring systems are in place:

- Key risks and related controls have been identified and processes have been put in place to monitor the operation of those key controls and report any identified deficiencies.
- Reporting arrangements have been established at all levels where responsibility for financial management has been assigned.
- There are regular reviews by senior management of periodic and annual performance and financial reports which indicate performance against budgets/forecasts.

Annual Review of Effectiveness

Horse Sport Ireland has procedures to monitor the effectiveness of its risk management and control procedures. The Board commenced an annual review of the effectiveness of internal controls in 2023.

The review was overseen by the Audit and Risk Committee and included a review by the Board of:

- The Review of Systems of Internal Control completed by internal audit.
- The results of the internal audit which audited financial and other controls.
- The management letter prepared by the External Auditors.

There were some opportunities for improvement noted in the internal audit report and these will be fully implemented by 31 December 2023.

There were no other weaknesses identified in internal control that resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or the auditor's report on the financial statements.

Signed on behalf of the Board

Date:

HORSE SPORT IRELAND
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**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Irish company law requires the directors to prepare the financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with the Companies Act 2014 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', applying Section 1A of the Standard, issued by the Financial Reporting Council.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date, of the surplus or deficit for that financial year and otherwise comply with the Companies Act 2014.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm they have complied with the above requirements in preparing the financial statements.

The directors are responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board on 29 September 2023

Niamh Brennan
Director

Kevin Smyth
Director

HORSE SPORT IRELAND
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HORSE SPORT IRELAND

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Horse Sport Ireland (the 'company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Members' Funds and the related notes to the financial statements. The financial reporting framework that has been applied in their preparation is Irish law and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', applying Section 1A of that Standard, issued by the Financial Reporting Council.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2022 and of its deficit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our Report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this Report.

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INDEPENDENT AUDITORS' TO THE MEMBERS OF HORSE SPORT IRELAND (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors Report and Financial Statements, other than the financial statements and our Auditors' Report thereon. 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.

Opinion on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that in our opinion:

- the information given in the Directors' Report is consistent with the financial statements;
- the Directors' Report has been prepared in accordance with applicable legal requirements;
- we have obtained all the information and explanations which we consider necessary for the purposes of our audit; and
- the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

HORSE SPORT IRELAND
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INDEPENDENT AUDITORS' TO THE MEMBERS OF HORSE SPORT IRELAND (CONTINUED)

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors 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 directors 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 directors are responsible for assessing the 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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 IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>. This description forms part of our Auditors' Report.

The purpose of our audit work and to whom we owe our responsibilities

This Report is made solely to the company's members in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members 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 and the company's members for our audit work, for this Report, or for the opinions we have formed.


Grainne Stewart

for and on behalf of
CLA Evelyn Partners (Ireland) Limited

Chartered Accountants and Statutory Audit Firm
Paramount Court
Corrig Road
Sandyford Business Park
Dublin 18

9 October 2023

HORSE SPORT IRELAND
(A Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 €	As restated 2021 €
Revenue		9,936,278	10,682,445
Direct costs		(7,378,588)	(7,992,236)
Gross surplus		2,557,690	2,690,209
Administration expenses		(2,694,486)	(2,888,729)
Exceptional items		-	(120,000)
Operating deficit	6	(136,796)	(318,520)
Tax on deficit		36,445	(389)
Deficit for the financial year		(100,351)	(318,909)
Other comprehensive income			
Total comprehensive income for the financial year		(100,351)	(318,909)

There were no recognised gains and losses for 2022 or 2021 other than those included in the Statement of Comprehensive Income.

The notes on pages 15 to 31 form part of these financial statements.

HORSE SPORT IRELAND
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 €	2021 €
Fixed assets			
Tangible assets	11	57,569	-
Financial assets	12	2	2
		<u>57,571</u>	<u>2</u>
Current assets			
Stocks	13	60,576	51,207
Debtors: amounts falling due within one year	14	594,632	544,245
Cash and cash equivalents	15	1,558,987	2,536,919
		<u>2,214,195</u>	<u>3,132,371</u>
Creditors: amounts falling due within one year	16	(2,196,810)	(2,957,066)
Net current assets		<u>17,385</u>	<u>175,305</u>
Net assets		<u><u>74,956</u></u>	<u><u>175,307</u></u>
Reserves			
Retained surplus	19	74,956	175,307
Members' funds		<u><u>74,956</u></u>	<u><u>175,307</u></u>

These financial statements have been prepared in accordance with the small companies regime. The financial statements were approved and authorised for issue by the Board on 29 September 2023

Niamh Brennan
Director

Kevin Smyth
Director

The notes on pages 15 to 31 form part of these financial statements.

HORSE SPORT IRELAND
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**STATEMENT OF CHANGES IN MEMBERS FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Retained surplus €	Total members funds €
At 1 January 2022	175,307	175,307
Comprehensive income for the year		
Deficit for the year	(100,351)	(100,351)
Total comprehensive income for the year	(100,351)	(100,351)
At 31 December 2022	74,956	74,956

**STATEMENT OF CHANGES IN MEMBERS FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Retained surplus €	Total members funds €
At 1 January 2021	494,216	494,216
Comprehensive income for the year		
Deficit for the year	(318,909)	(318,909)
Total comprehensive income for the year	(318,909)	(318,909)
At 31 December 2021	175,307	175,307

The notes on pages 15 to 31 form part of these financial statements.

HORSE SPORT IRELAND
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Horse Sport Ireland is a private company limited by guarantee, (registered under Part 2 of the Companies Act 2014), incorporated in the Republic of Ireland. The company's registered office and principal place of business is at 1st Floor, Beech House, Millennium Park, Osberstown, Naas, Co. Kildare.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland, applying Section 1A of that Standard, and Irish statute comprising of the Companies Act 2014.

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

HORSE SPORT IRELAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Grant income

The organisation receives government grants for certain initiatives. Income from government and other grants are recognised at fair value when the organisation has the entitlement after any performance obligation have been met, it is probable that the income will be received and the amount can be reliably measured. If the entitlement has not been met, then these amounts are deferred income.

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Euro.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.5 Retirement benefits

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

HORSE SPORT IRELAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 25%
Fixtures and fittings	- 25% & 20%
Equipment	- 25% & 20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 Valuation of investments

Investments in the subsidiary company are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Cash flow exemption policy

The company has availed of the exemption in FRS 102 from the requirement to produce a cash flow statement because it is classified as a small company.

HORSE SPORT IRELAND
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.11 Taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.12 Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.14 Comparatives

The prior year figures have been regrouped or reclassified whenever necessary to conform to the current year's presentation. Such reclassification do not affect the previously reported profit and net assets of the company.

2.15 Exceptional items

Exceptional items are transactions that do not fall within the ordinary activities of the company and are presented separately due to their size or incidence.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Judgments in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income, and expenses.

Useful lives of depreciable assets

Management reviews its estimates of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and physical obsolescence that may change the utility of certain assets.

Accruals

Management have to use their best estimate for some costs in relation to the financial year where bills have not yet been received at year end date in order to give a true and fair view of the results in the financial statements.

4. Going concern

The financial statements have been prepared on the going concern basis, which assumes that Horse Sport Ireland CLG will continue in operational existence for the foreseeable future.

The validity of this assumption depends on the following:

The Board of management is actively managing prevailing uncertainties in relation to future funding and has put in place a risk management procedure based on a number of funding scenarios. As part of this process the Board are monitoring the finances of the organisation against this procedure and taking appropriate action as and when necessary.

On that basis, the Directors do not consider that a material uncertainty exists in relation to going concern and they have deemed it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.

5. Revenue

	2022	<i>As restated</i>
	€	2021
		€
Operating income	1,982,038	2,651,761
Grant income	7,954,240	8,030,684
	9,936,278	10,682,445

All revenue arose in the Republic of Ireland. Further details of grant income received from government funded sources is included in Note 18 as required under DPER Circular 13 of 2014 - Management of and Accountability for Grants from Exchequer Funds.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Deficit on ordinary activities before taxation

The deficit is stated after charging:

	2022	2021
	€	€
Depreciation	20,607	-
Difference on foreign exchange	195	988
Defined contribution pension cost	45,703	70,901
	=====	=====

7. Staff costs

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	No.	No.
Administration and management permanent staff members	42	42
	=====	=====

The Board is responsible for ensuring that Horse Sport Ireland has complied with applicable requirements of the Code of Practice for the Governance of State Bodies ("the Code"), as published by the Department of Public Expenditure and Reform in August 2016, as directed by the Department of Agriculture, Food and the Marine, specially DPER Circular 13/2014.

Horse Sport Ireland CLG does not disclose the details of the number of employees whose total employee benefits (excluding pension costs) for the reporting period fell within each €10,000 band from €60,000 upwards due to the commercial sensitivity of this information. This departure from DPER Circular 13/2014 has been agreed with the Department of Agriculture, Food and the Marine and Sport Ireland.

Staff costs were as follows:

	2022	2021
	€	€
Wages and salaries	1,941,491	2,012,446
Social insurance costs	200,292	196,508
Cost of defined contribution scheme	45,703	70,901
	=====	=====
	2,187,486	2,279,855
	=====	=====

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Directors' remuneration

	2022	2021
	€	€
Directors' emoluments	88,619	208,005
	<u>88,619</u>	<u>208,005</u>

9. Key management compensation

Key management are those people having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors of that entity. The directors are considered the key management of the company. The compensation paid or payable to key management for their employees' services is shown below:

	2022	2021
	€	€
Remuneration and other benefits	579,359	513,709
	<u>579,359</u>	<u>513,709</u>

10. Exceptional items

	2022	<i>As restated</i> 2021
	€	€
Exceptional items - professional costs	-	120,000
	<u>-</u>	<u>120,000</u>

Horse Sport Ireland selected the Greenogue site at Rathcoole, Co. Dublin for its proposed Centre of Excellence in November 2020. Planning permission for the development works relating to the proposed new facility was granted in August 2021.

Horse Sport Ireland had planned to enter a 35-year lease with Greenogue Equestrian in the context of the HSI Strategic Plan 2019-2024. However, in July 2022, the Board of Horse Sport Ireland decided that due to spiraling construction costs, to discontinue the agreement in principle to build a Centre of Excellence at Greenogue, Rathcoole, Co. Dublin.

Consequently, a legally binding lease was not entered, all construction development works were not tendered for and a proposal to further develop the site to the specifications of Horse Sport Ireland fell away. Horse Sport Ireland did not incur any capital costs in respect of development works on the project at Greenogue. The business paid €120,000, excluding VAT, to Greenogue Equestrian to cover the costs of preparing, lodging, and obtaining planning permission.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Tangible assets

	Leasehold improvements	Fixtures and fittings €	Equipment €	Total €
Cost or valuation				
At 1 January 2022	284,288	162,548	181,956	628,792
Additions	-	79,576	-	79,576
Disposals	-	(1,400)	-	(1,400)
At 31 December 2022	284,288	240,724	181,956	706,968
Depreciation				
At 1 January 2022	284,288	162,548	181,956	628,792
Charge for the year on owned assets	-	20,607	-	20,607
At 31 December 2022	284,288	183,155	181,956	649,399
Net book value				
At 31 December 2022	-	57,569	-	57,569
At 31 December 2021	-	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Financial assets

	Investments in subsidiary company €
Cost or valuation	
At 1 January 2022	2
At 31 December 2022	<u>2</u>

13. Stocks

	2022 €	2021 €
Finished goods	<u>60,576</u>	<u>51,207</u>

There are no material differences between the replacement cost of stock and the Statement of Financial Position amounts.

14. Debtors

	2022 €	2021 €
Trade debtors	375,990	246,072
Amounts owed by group undertakings	-	97,245
Other debtors	136,162	179,854
Prepayments	82,480	21,074
	<u>594,632</u>	<u>544,245</u>

15. Cash and cash equivalents

	2022 €	2021 €
Cash at bank and in hand	<u>1,558,987</u>	<u>2,536,919</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Creditors: Amounts falling due within one year

	2022	<i>As restated</i> 2021
	€	€
Trade creditors	535,619	320,770
Taxation and social insurance	121,915	364,184
Other creditors	285,311	545,811
Accruals	402,781	724,599
Deferred income	851,184	1,001,702
	<hr/> 2,196,810 <hr/>	<hr/> 2,957,066 <hr/>

Some trade creditors have reserved title to goods supplied to the company. Since the extent to which such creditors are effectively secured depends on a number of factors and conditions, some of which are not readily determinable, it is not possible to indicate how much of the above amount is secured under reservation of title.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. Grant Income Detail

Agency	Government Department	Grants Programme	Purpose of Grant	Amount of Grant	Amount of Grant taken to income in current financial year	Term
DAFM	The Department of Agriculture, Food and the Marine	Grant in Aid	To assist Horse Sport Ireland in discharging the functions involved in the promotion and development of the Sport Horse Industry	€2,650,470	€2,650,470	1 Year - Annually
DAFM	The Department of Agriculture, Food and the Marine	Equine Technical Support	To support improvements in quality equine breeding and in the infrastructure which the non-thoroughbred horse sector operate in	€375,628	€375,628	1 Year - Annually
DAFM	The Department of Agriculture, Food and the Marine	Strategic Breeding Initiatives	To implement equine breeding measure linked to the HSI Strategic Plan	€1,898,305	€1,898,305	1 Year - Annually
Sport Ireland	The Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media	Core Grant	Strong governing bodies are essential to the development of a vibrant, sustainable sports sector. The core activities covered by the grants include administration of the sports, the employment of professional staff, coach development and planning and development activities. It also covers programmes aimed at increasing participation.	€975,000	€975,000	1 Year - Annually
Sport Ireland	The Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media	HP Grant	The High Performance funding is to support Irish athletes and teams in reaching finals and achieving medals at European Championships, World Championships, Olympic and Paralympic Games.	€803,333	€803,333	1 Year - Annually

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**NOTES TO THE FINANCIAL STATEMENTS
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Sport Ireland	The Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media	Dormant Account funding	Dormant Accounts Funding is made available for sport and physical activity measures. This funding enables National Governing Bodies to deliver a comprehensive programme of initiatives under the National Physical Activity Plan and in line with the National Sports Policy.	€47,403	€22,875	1 Year - In Advance
Sport Ireland	The Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media	Documentary support		€30,000	€30,000	1 Year - In Advance
Sport Ireland	The Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media	COVID-19	The primary purpose of the scheme is to prevent any viable sports organisation from becoming insolvent.	€460,000	€632,127	1 Year - In Advance
Sport Ireland	The Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media	HP Impact funding	Preparation activities for high performance squads.	€200,000	€200,000	1 Year Annually
Sport Ireland	The Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media	2021 Sport Ireland Targeted Equipment Growth	Show Jumping, Eventing and Dressage equipment for Eventing €- Ireland, Association of Irish Riding Clubs and Horse Sport Ireland		€64,695	1 Year Annually
Sport Ireland	The Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media	Special Projects and Programmes	Governance Code Programme/ Volunteer Programme for Affiliates	€-	€4,000	1 Year - In Advance

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

Sport Ireland	The Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media	Sports Energy Support Scheme (SESS)	To support inflationary increases in energy costs	€107,000	€107,000	1 Year - In Advance
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18. Deferred grant income movement

Agency	Grants Programme	Opening deferred grant €	Amount of grant awarded €	Amount of grant taken to income in current financial year €	Closing deferred grant €
Sport Ireland	Dormant Account Funding	57,109	47,403	(22,875)	81,637
Sport Ireland	COVID-19	632,127	460,000	(632,127)	460,000
Sport Ireland	Sport Capital	64,695	-	(64,695)	-
Sport Ireland	Special Project Governance	22,000	-	(4,000)	18,000
DAFM	Grant in Aid		2,650,470	(2,650,470)	
DAFM	Equine Technical Support		375,628	(375,628)	
DAFM	Breeding Initiatives		1,898,305	(1,898,305)	
Sport Ireland	Core Grant		975,000	(975,000)	
Sport Ireland	HP Grant		803,333	(803,333)	
Sport Ireland	HP Impact Funding		200,000	(200,000)	
Sport Ireland	Sports Energy Support Scheme (SESS)		107,000		107,000
Sport Ireland	Documentary Support		30,000	(30,000)	
		<u>775,931</u>	<u>7,547,139</u>	<u>(7,656,433)</u>	<u>666,637</u>

19. Reserves

Retained surplus

This relates to the cumulative retained surplus of the company.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

20. Tax clearance

The directors have considered their obligations in respect of the company's compliance with tax clearance procedures with reference to Government Grants. In this regard, the directors are satisfied that the company complies as tax clearance certificates were obtained for all supplier payments more than €10,000 plus VAT in the year ended 31 December 2022.

21. Company status

The company is limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding €1 towards the assets of the company in the event of liquidation.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Related party transactions

The company has taken advantage of the exemption available under FRS102, Section 33 Related Party Transactions, from the requirement to disclose transactions with a wholly owned group company.

The Show Jumping Association of Ireland is a connected company of Horse Sport Ireland CLG through common directors in 2022. During the year, Horse Sport Ireland CLG invoiced The Show Jumping Association of Ireland €134,634 (2021: €165,750) and The Show Jumping Association of Ireland invoiced Horse Sport Ireland CLG €52,870 (2021: €136,666).

Related parties of the company directors comprise spouses, partners, and children. Connected parties of the company directors comprise parents, siblings, cousins, nieces, nephews and companies with common directorships. The directors have elected to disclose transactions with those that could be perceived to be connected parties of the company directors. It is noted that these transactions are at arms length, and the amounts are paid based on the participation in competition, open application, independent selection, or open competition. Expenses incurred in the normal course of duties are not included, however any expenses paid relating to services provided are disclosed.

The summary of related party transactions is illustrated in the table below:

	Director transactions €	Related party transactions €	Connected party transactions €	Total €
2022				
Niamh Brennan	-	-	-	-
Michael Christopher Dowling	-	-	-	-
Zoe Kavanagh	115	-	-	115
Kevin Smyth	-	-	-	-
Lucinda Creighton	-	-	-	-
Edward Doyle	13,158	-	10,690	23,848
Paul Duffy	-	-	-	-
Tom Freyne	-	-	-	-
Clare Hughes	-	-	60,207	60,207
Mary Lambkin	-	-	-	-
David O'Meara	-	-	-	-
Joe Reynolds	-	4,238	-	4,238
Taylor Vard	-	-	-	-
	13,273	4,238	70,897	88,408

23. Controlling party

The members are the ultimate controlling party.

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NOTES TO THE FINANCIAL STATEMENTS
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24. Approval of financial statements

The board of directors approved these financial statements for issue on 29 September 2023.