

**REPORT OF THE TRUSTEES AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
HEROS**

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FOR THE YEAR ENDED 31 MARCH 2021**

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HEROS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

The Trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The primary objectives of the charity, as stated in its governing document, are to promote the welfare and rehabilitation of racehorses, former racehorses and other horses, which are unwanted or vulnerable to abandonment, abuse, misuse or neglect, or otherwise in need of care and attention, by means of retraining and re-homing. Also to deliver HEROS various education programmes to students from the age of 11 years old and upwards and to help the students work towards getting a fulfilled life in an equine career suited to each individual.

HEROS ultimately hopes that the successful re-homing of ex-racehorses, and improvements in levels of knowledge about their care, will ultimately reduce the number of horses needlessly destroyed each year and will give ex-racehorses useful lives after their racing days are over. The quality and individualised education we provide will also ensure experienced staff for the future in the equine industry.

HEROS works as an Alternative to School Placement for 11 – 16 year old children in West Berkshire and South Oxfordshire and other local counties. During 2020–21 many students benefited from their interaction with the horses and other animals residing at HEROS, even though COVID-19 reduced the time they were able to attend.

In all its objectives, HEROS aims to deliver the highest standards of re-training and re-homing of horses, and the best quality of training and education for people. This includes meaningful, accredited qualifications to diverse learners aged 11 year old upwards, including students with Special Educational Needs (SEN) to contribute to the well-publicised shortfall of staff for work in racing and related industries. HEROS aims to ensure that each horse coming into HEROS, and each learner, can maximise the opportunities provided by their experience at HEROS based and partnered by North Farm Stud.

Specific objectives for 2020/21 :

- To raise sufficient resources to enable the charity to continue to successfully re-home ex-racehorses in the future and to help as many as possible to move on to useful lives.
- To ensure that funds are sufficient to care for the horses whilst they are undergoing retraining and re-homing including keep, veterinary treatments, and farriery costs.
- To improve learning opportunities and employment for young people wanting to work in racing and related industries.
- To educate and train those who take on responsibility for rehomed horses.
- To streamline fundraising activities, focus on those events which raise most money and free up time and resources for re-homing.

HEROS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

- To maintain financial independence from North Farm Stud Limited and achieve greater headroom with respect to the financial sustainability of the charity.
- To achieve financial self-sustainability for HEROS and the education programme and work in partnership with the racing industry to promote the welfare of thoroughbred ex-racehorses.

OBJECTIVES AND ACTIVITIES

Significant activities

Horses

General public awareness about the importance of re-training and responsible re-homing for ex-racehorses is raised by HEROS through events, social media and our website and through newsletters and other literature. In addition, the charity hosts events and workshops throughout the year for riders and others with a specific interest in improving their levels of skill and knowledge.

12 horses of all types were rehomed in 2020/21, 15 fewer than last year because HEROS was heavily impacted by the COVID-19 lockdown and unable to have visitors for the majority of the year. For this reason, only 5 new horses were taken into the charity, 28 fewer than last year and 8 horses were returned to HEROS for various unrelated reasons, half the number in the previous year. In addition, some horses which had been out on lease for many years were returned.

9 horses were sadly put to sleep for health or unsoundness issues, as advised by our veterinary team. A further 5 horses out on loan were put down for emergency veterinary reasons i.e. colic.

Further to the Agreement with the Board during 2019/20 to retain a core of horses able to work in the Education Programme, a number of appropriate horses are still being maintained. Care is taken to ensure that their suitability for this work is monitored and they remain available to be re-homed if the education role becomes unsuitable, or a good loan home becomes available. In 2019/20 RoR gave a grant to HEROS to help with the keep costs for these horses. Unfortunately this was not granted in 2020/21.

11 horses were included as members of the HEROS Club at 31 March 2021. These horses are primarily funded by monthly donations from Club Members and they include elderly horses or those coming in with a specific donation. Some of them are able to also work with the education students.

All HEROS staff work hard to develop, strengthen, and quality-assure delivery of the most effective training for ex-racehorses requiring re-training and re-homing. Training events and in-house clinics with our qualified staff also continue to be offered at HEROS to clients thinking about, or who have already taken an ex-racehorse. In this way, HEROS helps to promote safety, welfare and a long-term future for ex-racehorses.

Education and training

The HEROS Education programme includes several different programmes, which can run in conjunction for students wanting to take up an equine career following taking their GCSEs. Firstly, we run an Enrichment programme for 11-16yo's, this is an alternative to school placement for students struggling in mainstream education or school and they can attend from 1 to 3 days weekly.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

We offer several different post 16 courses; firstly, Traineeships at Level 1, for students who already have fairly good horse knowledge or who have attended our Enrichment Programme so can already ride and do the basics. Following a Traineeship students would generally move on to an apprenticeship in a relevant placement which we would help source for them. We would then continue to oversee their programme in conjunction with KEITS our Training Provider partner. We also run a Diploma group for students with an Educational Health Care Plan (EHCP). These are privately funded courses and based on Level 1 and 2 in Horsecare. All students must do Functional Skills in Maths and English to level 2 if they did not achieve a pass in their GCSEs and we also run this teaching alongside all the courses post 16.

The courses are designed to support careers in the horse-racing industry, including racing-specific entry level courses, Level 1 and 2 Diplomas, and Apprenticeships at Levels 2 and 3. The final component consists of functional skills consisting of general skills teaching and learning (e.g., Maths, English, Employability and life skills) designed to be relevant to the world of work.

OBJECTIVES AND ACTIVITIES

1. To support development of the HEROS Education Programme in 2019/20, partnerships were made with Local Education Authorities, Further Education land-based education providers, industry governing bodies and local employers. HEROS is committed to ensuring that the education programme stays relevant to employment. For example, the charity has an active presence in Youth Engagement and Community Learning Partnerships in both Oxfordshire and West Berkshire, as well as sitting in on SEND educational provision guidance meetings for Oxfordshire. These partnerships continued through 2020/21.
2. The HEROS Education programme as a whole was developed with support from the Racing Foundation. It offers a completely new way for learners to enter the racing industry. During 2020/21 HEROS developed and continued its relationships with KEITS as training providers for Traineeships, Diplomas and Apprenticeships. HEROS is a 'recognised centre' with the BHA and has been approved as a training provider. HEROS courses remain listed on the Careers in Racing website alongside the racing schools and the National Stud. Individualised and needs-based, the HEROS Education Programme appeals to students who are not yet ready to live away from home, who may lack the confidence to go straight into a racing yard after just nine weeks of training, or who need a more graduated approach to riding and employment. Our courses also appeal to a wider market in Oxfordshire and Berkshire, including students who already have good practical experience and the relevant GCSEs. Starting at Entry Level and going up to a level 3 Apprenticeship, our programme can cater to a wide spectrum of learners with differing levels of prior experience. The programme has already shown itself to be appealing to students and their parents and effective steps have been taken to promote better working relationships with local employers in racing who have already started to offer work experience.
3. The Education programme was affected hugely by COVID-19. HEROS was locked-down for a large part of the academic year and all tutors were furloughed although this helped financially. It was also a challenge to get the students back into their routines when the Government guidelines permitted HEROS to re-open. However, by March 2021 all the signs were in place that HEROS full programme would recover.

HEROS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

Income

HEROS is enormously grateful to the many people who donate to the charity. Particular thanks are due to the Racing Foundation and their stakeholders for their prompt support at the very start of the coronavirus pandemic which threatened the continuation of the important work of the charity.

Thanks are also due to Fred and Marjorie Sainsbury Trust, Mr and Mrs Greener, Godolphin, and the Barry Green Memorial Fund. The charity would like to thank Elite Racing for their continued support in the form of monthly donations for support specific horses.

Retraining of Racehorses (RoR) has previously provided a significant level of financial support for HEROS. HEROS very much appreciates the interest they have taken in the past. However, HEROS received income in 2020/2021 from the RoR of £40,700 compared to £153,782 in 2019/20 and continued lower levels of funding from the primary source of industry backing for ex-racehorse welfare continues to be a source of concern. HEROS maintains a positive relationship with the RoR and is running a dressage Day for them in 2021 which had to be postponed several times in 2020/21 due to COVID restrictions.

We are proud to partner with Godolphin in our Enrichment Programme for 11 – 16yos in Alternative to Schools placements at HEROS. We would like to thank Godolphin for making a superb video about HEROS Enrichment.

Donations made by those gifting horses to the charity has been impacted by not being able to take in many horses. We needed to keep a close eye on finances when fundraising during the pandemic was restricted and income has decreased this year to £8,000 compared to £16,625 the previous year.

The amount of income from horses going out on loan has also decreased from £17,130 to £11,994 due to lockdown impacting on people coming to try horses.

Total income has increased by £101,365 to £612,795 from £511,430 last year. This includes £30,000 Government grant for rates re COVID-19.

Expenses and overheads have increased again to a total of £547,377 compared to £483,724 a difference of £63,653.

HEROS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

Outlook

As 2020-21 has been such a challenge due to the Covid-19 restrictions, HEROS' aim is to rebuild our output to at least pre-Covid level as quickly as possible.

HEROS will continue to focus on further developing its business model, create sufficient headroom to underpin a sustainable long-term future and build up a financial reserve. During this year trade creditors remain at the 30-day level. Other creditors include a loan of £100,000 from The Racing Foundation and a further £50,000 as a Bounce Back Loan, taken out during COVID-19.

Depending on the outcome of the BHA Welfare Review, HEROS will concentrate on reviving its retraining model and increasing the throughput of horses going out into the public domain. We hope to work closely with the Racing Industry to achieve this.

We will continue to expand our education programmes and widen the catchment area to include as many students as possible.

Trustees also believe that improvements in levels of knowledge about stable management and equine welfare amongst those taking on a thoroughbred ex-racehorse will be key to HEROS future financial sustainability.

Public benefit

HEROS has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

Trustees believe that HEROS contributes to public benefit by supporting those who do not have the resources to deliver against their responsibilities for the welfare of horses whose racing days are over.

In addition, Trustees believe that HEROS is able to deliver a wider range of public benefits through provision of equine-related education and training, partly for those who may be unsuited to mainstream education for whom our programme is delivering clear results, and partly for those wanting to work in racing and related industries where there is a shortfall.

Reserves policy

Total reserves at 31 March 2021 amounted to £121,351 (2019 £55,893). This includes restricted funds of £31,200.

Free reserves at 31 March 2021 amounted to £27,520 (2020 £28,054).

The Trustees aim to build reserves to a level sufficient to keep all the ex-racehorses for two years should donations fall dramatically or cease altogether.

HEROS

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

HEROS is a charitable company limited by guarantee and governed by its Memorandum and Articles of Association dated 18 January 2006 (amended 2017). HEROS was registered as a charity (number 3512280) with the Charity Commission on 10 July 2016 with Miss Grace Muir as Chief Executive Officer.

Recruitment and appointment of new trustees

New Trustees were appointed by the Board of Trustees taking into account their knowledge, experience, interests, and with due regard to any gaps in the skill set of the team. At 31 March 2021, the members of the Trustee Board were as follows; their biographical details can be found on the website www.heroscharity.org

Mrs J A Hubbard (Joint Chair) - Accountant
Mrs A Richardson (Joint Chair) - Psychologist
Mrs V A Hopgood - Solicitor
Mrs M J Sutton
Mr Richard Phillips - Racehorse Trainer
Mrs Gilly Rowland-Clark - Racehorse Owner
Miss Francesca Compostella - Veterinary Surgeon
Mr Cees Bennett - Veterinary Surgeon

Trustees are made fully aware of the aims and objectives of the charity, the content of HEROS Memorandum and Articles of Association; they are provided with a Trustee Handbook and are briefed on their legal obligations. Trustees are free to meet with staff, visit the yard, speak with colleagues and other experts about their role and are encouraged to widen their experience, for example, by attending the charity's fundraising events and workshops.

Trustees delegate day-to-day management of the charity to the Chief Executive Officer, Miss Grace Muir.

Staffing

HEROS has two full time permanent staff: a Chief Executive Officer and a Charity Administrator: plus four part-time tutors and 1 part-time education co-ordinator in the Education Department. Remuneration is set in line with market rates.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

Risks associated with working for the charity as a paid employee, a volunteer or attending the HEROS Academy as a student, include those operational risks associated with HEROS' core activities such as managing and handling horses, speaking with clients, educating and keeping students safe whilst they undergo training in the HEROS education programme and fundraising. Members of the Board of Trustees also carry certain financial risks and risks associated with governance of the charity (e.g., relating to conflicts of interest). All risks are managed actively in accordance with guidance published by the Charity Commission.

The risks that the charity faces are under continuous review by our appointed Health and Safety officer, Tim Stutt. In addition to assessment of risks associated with normal day-to-day running and the HEROS Education programme, a risk assessment is undertaken by Tim Stutt, Hilary Parsons (Administrator) and Grace Muir (CEO) prior to every fundraising event. To minimise possible harm to staff, clients, students or others, the Chief Executive Officer also requires a disclaimer to be signed by those trying horses prior to sale or loan to ensure they are aware of the risks to themselves and to safeguard HEROS from any legal repercussions in the event of an accident.

The disclaimer also describes a requirement for appropriate clothing to be worn (i.e. footwear, back-protector and head protection.)

Our Safeguarding Officer, Sarah Turner, reviews the Safeguarding Policy regularly. The Designated Safeguarding Lead is Grace Muir (CEO) and the policy is also overseen by Anne Richardson, the Chair of the Board.

A euthanasia policy is also reviewed regularly to ensure that it is fit for purpose.

Going concern

The Trustees believe it is appropriate to prepare accounts on a going concern basis. We continue to diversify and grow in the field of education and training with the help of The Racing Foundation, which has extended its funding for a further two years to 2020/21.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

05679136 (England and Wales)

Registered Charity number

1115174

Registered office

The Swallows
North Farm Stud Fawley
Wantage
Oxfordshire
OX12 9NJ

HEROS

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2021

Trustees

Mrs V A Hopgood Solicitor
Mrs J A Hubbard Accountant
Mr R Phillips Race Horse Trainer
Mrs A H Richardson Govt Official
Mrs G Rowland-Clark Housewife
Mrs M J Sutton Retired
Mr C Bennett Tba (appointed 28.4.20)
Ms F Compostella Veterinary Surgeon (appointed 15.4.20)

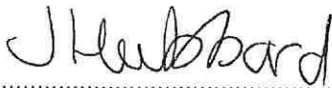
Company Secretary

Mrs M Robinson

Independent Examiner

Susan Plumb ACA
ICAEW
Haines Watts
Chartered Accountants
Old Station House
Station Approach
Newport Street
Swindon
Wiltshire
SN1 3DU

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on13-11-21..... and signed on the board's behalf by:



pf ~~Mrs A H Richardson~~ Trustee
MRS J. HUBBARD

**INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF
HEROS**

Independent examiner's report to the trustees of HEROS ('the Company')

I report to the charity trustees on my examination of the accounts of the Company for the year ended 31 March 2021.

Responsibilities and basis of report

As the charity's trustees of the Company (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the Company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5) (b) of the 2011 Act.

Independent examiner's statement

Since your charity's gross income exceeded £250,000 your examiner must be a member of a listed body. I can confirm that I am qualified to undertake the examination because I am a registered member of ICAEW which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the Company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities (applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

S Plumb ACA

Susan Plumb ACA
ICAEW
Haines Watts
Chartered Accountants
Old Station House
Station Approach
Newport Street
Swindon
Wiltshire
SN1 3DU

Date: *16 Nov 2021*

HEROS

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	396,190	20,000	416,190	180,234
Charitable activities					
Retraining and rehoming of ex-racehorses	5	23,500	17,200	40,700	153,782
Other trading activities	3	136,350	-	136,350	152,032
Investment income	4	13	-	13	14
Other income		<u>19,542</u>	<u>-</u>	<u>19,542</u>	<u>25,368</u>
Total		575,595	37,200	612,795	511,430
EXPENDITURE ON					
Raising funds	6	701	-	701	1,206
Charitable activities					
Retraining and rehoming of ex-racehorses	7	540,636	6,000	546,636	482,518
Total		<u>541,337</u>	<u>6,000</u>	<u>547,337</u>	<u>483,724</u>
NET INCOME		34,258	31,200	65,458	27,706
RECONCILIATION OF FUNDS					
Total funds brought forward		55,893	-	55,893	28,187
TOTAL FUNDS CARRIED FORWARD		<u>90,151</u>	<u>31,200</u>	<u>121,351</u>	<u>55,893</u>

The notes form part of these financial statements

HEROS

**STATEMENT OF FINANCIAL POSITION
31 MARCH 2021**

	Notes	Unrestricted fund £	Restricted funds £	2021 Total funds £	2020 Total funds £
FIXED ASSETS					
Tangible assets	13	62,631	-	62,631	27,839
CURRENT ASSETS					
Stocks	14	101,500	-	101,500	111,650
Debtors	15	33,277	-	33,277	92,129
Cash at bank		<u>98,539</u>	<u>31,200</u>	<u>129,739</u>	<u>35,403</u>
		233,316	31,200	264,516	239,182
CREDITORS					
Amounts falling due within one year	16	<u>(44,363)</u>	-	<u>(44,363)</u>	<u>(111,128)</u>
NET CURRENT ASSETS		<u>188,953</u>	<u>31,200</u>	<u>220,153</u>	<u>128,054</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		251,584	31,200	282,784	155,893
CREDITORS					
Amounts falling due after more than one year	17	<u>(161,433)</u>	-	<u>(161,433)</u>	<u>(100,000)</u>
NET ASSETS		<u>90,151</u>	<u>31,200</u>	<u>121,351</u>	<u>55,893</u>
FUNDS	21				
Unrestricted funds				90,151	55,893
Restricted funds				<u>31,200</u>	<u>-</u>
TOTAL FUNDS				<u>121,351</u>	<u>55,893</u>

The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2021 in accordance with Section 476 of the Companies Act 2006.

The notes form part of these financial statements

HEROS

STATEMENT OF FINANCIAL POSITION - continued
31 MARCH 2021

The trustees acknowledge their responsibilities for

- (a) ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the charitable company as at the end of each financial year and of its surplus or deficit for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the charitable company.

The financial statements were approved by the Board of Trustees and authorised for issue on 13-11-21 and were signed on its behalf by:

J Hubbard

pp Mrs A H Richardson - Trustee

MRS J HUBBARD

The notes form part of these financial statements

HEROS

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>71,875</u>	<u>(72,451)</u>
Net cash provided by/(used in) operating activities		<u>71,875</u>	<u>(72,451)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(24,325)	(14,400)
Interest received		<u>13</u>	<u>14</u>
Net cash used in investing activities		<u>(24,312)</u>	<u>(14,386)</u>
Cash flows from financing activities			
New loans in year		50,000	100,000
Capital repayments in year		<u>(3,227)</u>	<u>-</u>
Net cash provided by financing activities		<u>46,773</u>	<u>100,000</u>
Change in cash and cash equivalents in the reporting period			
		94,336	13,163
Cash and cash equivalents at the beginning of the reporting period		<u>35,403</u>	<u>22,240</u>
Cash and cash equivalents at the end of the reporting period		<u><u>129,739</u></u>	<u><u>35,403</u></u>

The notes form part of these financial statements

HEROS

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period (as per the Statement of Financial Activities)	65,458	27,706
Adjustments for:		
Depreciation charges	17,233	13,280
Interest received	(13)	(14)
Decrease/(increase) in stocks	10,150	(8,450)
Decrease/(increase) in debtors	58,852	(70,978)
Decrease in creditors	<u>(79,805)</u>	<u>(33,995)</u>
Net cash provided by/(used in) operations	<u><u>71,875</u></u>	<u><u>(72,451)</u></u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/20 £	Cash flow £	Other non-cash changes £	At 31/3/21 £
Net cash				
Cash at bank	<u>35,403</u>	<u>94,336</u>		<u>129,739</u>
	<u>35,403</u>	<u>94,336</u>		<u>129,739</u>
Debt				
Finance leases	-	3,227	(27,700)	(24,473)
Debts falling due within 1 year	-	(7,500)	-	(7,500)
Debts falling due after 1 year	<u>(100,000)</u>	<u>(42,500)</u>	<u>-</u>	<u>(142,500)</u>
	<u>(100,000)</u>	<u>(46,773)</u>	<u>(27,700)</u>	<u>(174,473)</u>
Total	<u><u>(64,597)</u></u>	<u><u>47,563</u></u>	<u><u>(27,700)</u></u>	<u><u>(44,734)</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the entity and is rounded to the nearest £.

Going concern

The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the charity's operations, funding, suppliers and wider economy. The Trustees' view on the impact of COVID-19 is that, given the measures that could be undertaken to mitigate the current adverse conditions and the current resources available, they can continue to adopt the going concern basis in preparing the financial statements.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

Stocks & work in progress

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Costs include all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

1. ACCOUNTING POLICIES - continued

Stocks & work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. An element of profit is included where the outcome of the project may reasonably be determined.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

2. DONATIONS AND LEGACIES

	2021	2020
	£	£
Retraining of racehorses	26,000	66,500
Incoming horses	8,000	16,625
Donations - other	52,125	88,659
Recognition of bloodstock	-	6,950
Grants	328,565	-
Legacies	<u>1,500</u>	<u>1,500</u>
	<u>416,190</u>	<u>180,234</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

2. DONATIONS AND LEGACIES - continued

Grants received, included in the above, are as follows:

	2021	2020
	£	£
Government support - CJRS	22,664	-
Business Interruption loan interest	1,250	-
Council grant - COVID support	30,000	-
Racing Foundation - COVID support	<u>274,651</u>	<u>-</u>
	<u>328,565</u>	<u>-</u>

3. OTHER TRADING ACTIVITIES

	2021	2020
	£	£
Fundraising events	644	9,301
Payments for goods and services	8,685	5,121
Subscriptions	6,336	6,702
Lease and sale of horses	11,994	17,130
Education and training	<u>108,691</u>	<u>113,778</u>
	<u>136,350</u>	<u>152,032</u>

4. INVESTMENT INCOME

	2021	2020
	£	£
Deposit account interest	<u>13</u>	<u>14</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

5. INCOME FROM CHARITABLE ACTIVITIES

	2021	2020
	£	£
Activity		
Retraining and rehoming		
of ex-racehorses	40,700	153,782
	<u>40,700</u>	<u>153,782</u>

6. RAISING FUNDS**Raising donations and legacies**

	2021	2020
	£	£
Other	701	200
Annual Horse Show	-	1,006
	<u>701</u>	<u>1,206</u>

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 8) £	Totals £
Retraining and rehoming of ex- racehorses	<u>541,721</u>	<u>4,915</u>	<u>546,636</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

8. SUPPORT COSTS

	Governance costs £
Retraining and rehoming of ex-racehorses	<u>4,915</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	<u>17,233</u>	<u>13,280</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

11. STAFF COSTS

	2021	2020
	£	£
Wages and salaries	113,046	119,264
Social security costs	<u>2,915</u>	<u>6,247</u>
	<u>115,961</u>	<u>125,511</u>

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

<u>2021</u>	<u>2020</u>
6	6

No employees received emoluments in excess of £60,000.

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £35,775 (2020: £33,840).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	180,234	-	180,234
Charitable activities			
Retraining and rehoming of ex-racehorses	16,024	137,758	153,782
Other trading activities	152,032	-	152,032
Investment income	14	-	14
Other income	<u>25,368</u>	<u>-</u>	<u>25,368</u>
Total	373,672	137,758	511,430
 EXPENDITURE ON			
Raising funds	1,206	-	1,206
Charitable activities			
Retraining and rehoming of ex-racehorses	330,380	152,138	482,518
Total	331,586	152,138	483,724
 NET INCOME/(EXPENDITURE)	42,086	(14,380)	27,706
Transfers between funds	<u>2,500</u>	<u>(2,500)</u>	<u>-</u>
Net movement in funds	44,586	(16,880)	27,706
 RECONCILIATION OF FUNDS			
Total funds brought forward	11,307	16,880	28,187
 TOTAL FUNDS CARRIED FORWARD	<u>55,893</u>	<u>-</u>	<u>55,893</u>

HEROS

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

13. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2020	3,450	71,818	23,212	98,480
Additions	<u>-</u>	<u>51,683</u>	<u>342</u>	<u>52,025</u>
At 31 March 2021	<u>3,450</u>	<u>123,501</u>	<u>23,554</u>	<u>150,505</u>
DEPRECIATION				
At 1 April 2020	3,450	46,885	20,306	70,641
Charge for year	<u>-</u>	<u>15,861</u>	<u>1,372</u>	<u>17,233</u>
At 31 March 2021	<u>3,450</u>	<u>62,746</u>	<u>21,678</u>	<u>87,874</u>
NET BOOK VALUE				
At 31 March 2021	<u>-</u>	<u>60,755</u>	<u>1,876</u>	<u>62,631</u>
At 31 March 2020	<u>-</u>	<u>24,933</u>	<u>2,906</u>	<u>27,839</u>

14. STOCKS

	2021 £	2020 £
Stocks	<u>101,500</u>	<u>111,650</u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	7,771	62,839
VAT	18,006	21,374
Prepayments and accrued income	<u>7,500</u>	<u>7,916</u>
	<u>33,277</u>	<u>92,129</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 18)	7,500	-
Hire purchase (see note 19)	5,540	-
Trade creditors	25,452	91,028
Social security and other taxes	2,709	2,133
Accruals and deferred income	<u>3,162</u>	<u>17,967</u>
	<u>44,363</u>	<u>111,128</u>

Included in creditors due in less than one year is £nil (2020 £14,700) deferred income to be released in full in the coming year.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans (see note 18)	42,500	-
Other loans (see note 18)	100,000	100,000
Hire purchase (see note 19)	<u>18,933</u>	<u>-</u>
	<u>161,433</u>	<u>100,000</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>7,500</u>	<u>-</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>10,000</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>32,500</u>	<u>-</u>
Other loans:		
Racing Foundation loan. The loan is interest free with no specific repayment terms set at present.	<u>100,000</u>	<u>100,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

19. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Net obligations repayable:		
Within one year	5,540	-
Between one and five years	<u>18,933</u>	<u>-</u>
	<u><u>24,473</u></u>	<u><u>-</u></u>

20. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Hire purchase contracts	<u>24,473</u>	<u>-</u>

The hire purchase debt is secured on the related assets.

21. MOVEMENT IN FUNDS

	At 1/4/20 £	Net movement in funds £	At 31/3/21 £
Unrestricted funds			
General fund	55,893	34,258	90,151
Restricted funds			
Enrichment programme	-	20,000	20,000
Uniform and tack fund	<u>-</u>	<u>11,200</u>	<u>11,200</u>
	<u>-</u>	<u>31,200</u>	<u>31,200</u>
TOTAL FUNDS	<u><u>55,893</u></u>	<u><u>65,458</u></u>	<u><u>121,351</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

21. MOVEMENT IN FUNDS - continued

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	575,595	(541,337)	34,258
Restricted funds			
Enrichment programme	20,000	-	20,000
Uniform and tack fund	11,200	-	11,200
Kitchen fitout fund	<u>6,000</u>	<u>(6,000)</u>	<u>-</u>
	<u>37,200</u>	<u>(6,000)</u>	<u>31,200</u>
TOTAL FUNDS	<u><u>612,795</u></u>	<u><u>(547,337)</u></u>	<u><u>65,458</u></u>

Comparatives for movement in funds

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/20 £
Unrestricted funds				
General fund	11,307	42,086	2,500	55,893
Restricted funds				
Education programme	16,880	(16,880)	-	-
Kitchen fund	<u>-</u>	<u>2,500</u>	<u>(2,500)</u>	<u>-</u>
	<u>16,880</u>	<u>(14,380)</u>	<u>(2,500)</u>	<u>-</u>
TOTAL FUNDS	<u><u>28,187</u></u>	<u><u>27,706</u></u>	<u><u>-</u></u>	<u><u>55,893</u></u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

21. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	373,672	(331,586)	42,086
Restricted funds			
Education programme	135,258	(152,138)	(16,880)
Kitchen fund	<u>2,500</u>	<u>-</u>	<u>2,500</u>
	<u>137,758</u>	<u>(152,138)</u>	<u>(14,380)</u>
TOTAL FUNDS	<u>511,430</u>	<u>(483,724)</u>	<u>27,706</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/4/19 £	Net movement in funds £	Transfers between funds £	At 31/3/21 £
Unrestricted funds				
General fund	11,307	76,344	2,500	90,151
Restricted funds				
Education programme	16,880	(16,880)	-	-
Kitchen fund	-	2,500	(2,500)	-
Enrichment programme	-	20,000	-	20,000
Uniform and tack fund	<u>-</u>	<u>11,200</u>	<u>-</u>	<u>11,200</u>
	<u>16,880</u>	<u>16,820</u>	<u>(2,500)</u>	<u>31,200</u>
TOTAL FUNDS	<u>28,187</u>	<u>93,164</u>	<u>-</u>	<u>121,351</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

21. MOVEMENT IN FUNDS - continued

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	949,267	(872,923)	76,344
Restricted funds			
Education programme	135,258	(152,138)	(16,880)
Kitchen fund	2,500	-	2,500
Enrichment programme	20,000	-	20,000
Uniform and tack fund	11,200	-	11,200
Kitchen fitout fund	<u>6,000</u>	<u>(6,000)</u>	<u>-</u>
	<u>174,958</u>	<u>(158,138)</u>	<u>16,820</u>
TOTAL FUNDS	<u>1,124,225</u>	<u>(1,031,061)</u>	<u>93,164</u>

Education programme - funds given by the Racing Foundation, Chidwick Trust, Alborada Trust and Garfield Weston for running the education programme.

Kitchen fund - funds donated to build a new kitchen as part of the Education programme.

Enrichment programme - Enrichment is our under 16 provision for students in our Alternative to School placement.

Uniform and Tack fund -this money was given to fund uniforms and tack for the students and specifically for education. The saddles and tack have been on order for 3 months and are due to arrive in January 2022.

Kitchen fitout fund -the money came from a grant maker who would like to remain anonymous and was used to fit out the above kitchen.

22. RELATED PARTY DISCLOSURES

During the year the charity purchased goods and services from North Farm Stud Limited of £330,386 (2020 £268,375). At the year-end £15,234 (2020 £72,618) was owed to North Farm Stud Limited. In addition, the charity invoiced goods and services to North Farm Stud Limited of £16,408. £2,641 was owed by North Farm Stud Limited. Miss G Muir, the Chief Executive Office of Heros, is a director of North Farm Stud Limited.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2021

23. LIMITED BY GUARANTEE

The charity is a private company limited by guarantee. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.