

REGISTERED COMPANY NUMBER: 05679136 (England and Wales)  
REGISTERED CHARITY NUMBER: 1115174

**REPORT OF THE TRUSTEES AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023  
FOR  
HEROS**

Haines Watts  
Chartered Accountants  
Old Station House  
Station Approach  
Swindon  
Wiltshire  
SN1 3DU

# HEROS

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## HEROS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

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 2023. 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 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 2022. 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).

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 11yo - 16yo children in West Berkshire and South Oxfordshire and other local counties. During 2022-23 many students, in this age range, benefited from their interaction with the horses and other animals residing at HEROS.

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 11yo upwards, including students with Special Educational Needs (SEN) to contribute to the well-publicised shortfall of staff for work in racing and related equine 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 at and partnered by North Farm Stud.

Specific objectives for 2022/23 :

- 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 continue to improve and expand learning opportunities and employment for young people wanting to work in racing and equine 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.
- 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.

## HEROS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

#### 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.

14 horses of all types were rehomed in 2022/23, 1 more than last year. 23 new horses were taken into the charity, including 6 horses which were returned to HEROS for various unrelated reasons.

9 horses were sadly put to sleep for health or unsoundness issues, as advised by our veterinary team. This includes 2 horses out on loan were put down for emergency veterinary reasons i.e. colic.

Further to the Agreement with the Board during 2022/23 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. We also have 5 non-TB horses used in education for the young students who are beginning.

10 horses were included as members of the HEROS Club at 31 March 2023. 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 also work with the education students.

At 31 March 2023 HEROS owns a total of 98 horses, both out on life-long lease and at North Farm Stud, the total value of these, as per our stock list at 31 March 2023 is £178,550.

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 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.

We offer several different post 16 courses; firstly, Traineeships at Level 1, for students who already have reasonable 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 a Level 2 apprenticeship in a relevant placement, which we would help source for them. HEROS 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, 2 and 3 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.

## HEROS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

#### OBJECTIVES AND ACTIVITIES

1. To continue the development of the HEROS Education Programme in 2022/23, partnerships continued to be made with Local Education Authorities, Further Education land-based education providers, industry governing bodies and local employers. HEROS is fully 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 2022/23.
2. The HEROS Education programme was originally developed with support from The Racing Foundation. It offers an alternative way for learners to enter the racing industry. During 2022/23 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 "Route to Racing". 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.

#### Income

HEROS is enormously grateful to the many people who donate to the charity.

Thanks are due to The Fred and Majorie Sainsbury Charitable Trust for funding to allow the set up of a new programme within Enrichment. The Horsecworld trust for support for new winter rugs for the horses, and Groundwork UK for support for the start up for a breakfast club in HEROS hub for the students. Another generous and much appreciated anonymous donation with no restrictions was also received.

The charity would like to thank Elite Racing for their continued support in the form of monthly donations for support specific horses. HEROS would also like to thank all other donators including; The Barry Green Memorial Fund, The OLBG, Robert Stanley and The Guise Mist Memorial Trust. Rosemary and George Greener kindly donated funds for purchase of a de-fibulator to be installed at the premises.

HEROS are proud to continue partnering with Godolphin and for their support in our Enrichment Programme for 11 - 16yos in Alternative to Schools placements at HEROS.

We would also like to thank the following for fund raising and sponsorship for HEROS; Infineum UK Ltd for naming HEROS as one of their charities for the year and raising significant funds on our behalf, Protexin Equine for their continued sponsorship of both supplying product and donation,

In May 2022 HEROS was invited to take part in a pitch process held at BHA head office which was organised by The Horse Welfare Board. HEROS was chosen after process from 5 finalists in the process to become the Aftercare Lead in the UK to partner with Retraining of Racehorses (RoR). This successful pitch resulted in the offer of £250,000 per year for 3 years. This was to launch a new Retraining Assessment Programme (RAP) for horses taking their first step out of racing. A trainer's review was undertaken by HEROS and RoR where 15 trainers across all codes were interviewed with specific questions in order to learn about the numbers of horses that this new scheme may need to cover. This work is still ongoing and the RAP scheme will be reviewed at the end of September 2023 which will be the end of year 1. HEROS received £125,000 during 2022/23 for this project.

**HEROS**  
**REPORT OF THE TRUSTEES**  
**FOR THE YEAR ENDED 31 MARCH 2023**

The amount of income from horses going out on loan has also decreased from £8,925 to £8,150 due to reduced numbers.

Education turnover increase in 2022/23 to £273,256 from £148,174 in 2021/22, an increase of £125,082.

Total income has increased by £184,778 to £745,423 from £560,645 last year.

Expenses and overheads have increased again to a total of £695,257 compared to £564,044 a difference of £131,213.

**Outlook**

2022-23 has been an exciting year, there has been expansion of the Education Programme resulting in extra income. This will continue to expand in 2023/24. HEROS has enjoyed working in partnership with RoR to cement the future of horses leaving training and others who need help when racing days are over.

## HEROS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

#### OBJECTIVES AND ACTIVITIES

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 which has now started a repayment plan and a further £50,000 as a Bounce Back Loan, taken out during COVID-19.

HEROS continues to work closely with the Horse Welfare Board in their Aftercare review programmes.

We will also 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. HEROS in partnership with RoR are planning to start the Thoroughbred Forum courses in April 2023.

#### 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 amazing results, and partly for those wanting to work in racing and related industries where there is a shortfall.

#### STRATEGIC REPORT

##### Reserves policy

Total reserves at 31 March 2023 amounted to £168,118 (2022 £117,952). This included restricted funds of £nil (2022 £20,000).

Free reserves at 31 March 2023 amounted to £128,049 (2022 £47,794).

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.

#### 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.

#### 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.



## HEROS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

#### STRUCTURE, GOVERNANCE AND MANAGEMENT

##### Recruitment and appointment of new trustees

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 2023, the members of the Trustee Board were as follows; their biographical details can be found on the website [www.heroscharity.org](http://www.heroscharity.org)

Mrs J A Hubbard (Joint Chair) - Accountant  
Mrs A Richardson (Joint Chair) - Psychologist  
Miss H Dorling – Insurance Specialist  
Mrs V A Hopgood - Solicitor  
Mrs A McGonnell - Equine Veterinarian  
Mrs L Minchin – Software Engineer  
Mr Richard Phillips - Racehorse Trainer  
Mrs M J Sutton - Retired

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 three full time permanent staff: a Chief Executive Officer, a Charity Administrator and an Education Programme Manager. In addition 7 part-time tutors and 1 part-time Education Co-ordinator in the Education Department. Our remuneration is set in line with market rates and our in house pay scales which allow for progression within the workforce.

In March 2023 we started working with a Fund-Raising Consultant who is paid a day rate and also a percentage commission scale for funds raised.

##### 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, Stephanie Collett (Education Programme Manager) 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 consultant, Sarah Turner, annually reviews our Safeguarding Policy. The Designated Safeguarding Lead is Grace Muir (CEO) and other Designated Officers are Stephanie Collett and Jenni Dimbylow from the HEROS education team. 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.



## HEROS

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2023

#### 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

**Trustees**

Mrs J A Hubbard (Joint Chair) - Accountant  
Mrs A Richardson (Joint Chair) - Psychologist  
Miss H Dorling – Insurance Specialist  
Mrs V A Hopgood - Solicitor  
Mrs A McGonnell - Equine Veterinarian  
Mrs L Minchin – Software Engineer  
Mr Richard Phillips - Racehorse Trainer  
Mrs M J Sutton - Retired

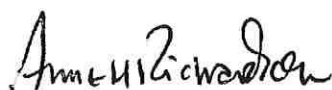
**Company Secretary**

Mrs M Robinson

**Independent Examiner**

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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 30.1.23 and signed on the board's behalf by:



Mrs A Richardson - Trustee

## 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 2023.

### 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 member of the 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.

SPumb ACA

Susan Plumb ACA

Haines Watts  
Chartered Accountants  
Old Station House  
Station Approach  
Swindon  
Wiltshire  
SN1 3DU

Date: 30 Aug 2023

# HEROS

## STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	180,160	-	180,160	236,036
<b>Charitable activities</b>	5				
Retraining and rehoming of ex-racehorses		15,876	156,000	171,876	90,690
Other trading activities	3	381,063	-	381,063	212,197
Investment income	4	52	-	52	8
Other income		<u>12,272</u>	<u>-</u>	<u>12,272</u>	<u>21,714</u>
<b>Total</b>		<u>589,423</u>	<u>156,000</u>	<u>745,423</u>	<u>560,645</u>
<b>EXPENDITURE ON</b>					
Raising funds	6	27,937	-	27,937	200
<b>Charitable activities</b>	7				
Retraining and rehoming of ex-racehorses		<u>492,070</u>	<u>175,250</u>	<u>667,320</u>	<u>563,844</u>
<b>Total</b>		<u>520,007</u>	<u>175,250</u>	<u>695,257</u>	<u>564,044</u>
<b>NET INCOME/(EXPENDITURE)</b>		69,416	(19,250)	50,166	(3,399)
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>97,952</u>	<u>20,000</u>	<u>117,952</u>	<u>121,351</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>167,368</u>	<u>750</u>	<u>168,118</u>	<u>117,952</u>

The notes form part of these financial statements

# HEROS

## STATEMENT OF FINANCIAL POSITION 31 MARCH 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
<b>FIXED ASSETS</b>					
Tangible assets	13	40,069	-	40,069	50,158
<b>CURRENT ASSETS</b>					
Stocks	14	180,050	-	180,050	134,350
Debtors	15	81,886	-	81,886	42,930
Cash at bank		<u>59,515</u>	<u>750</u>	<u>60,265</u>	<u>98,127</u>
		321,451	750	322,201	275,407
<b>CREDITORS</b>					
Amounts falling due within one year	16	<u>(70,943)</u>	-	<u>(70,943)</u>	<u>(146,720)</u>
<b>NET CURRENT ASSETS</b>		<u>250,508</u>	<u>750</u>	<u>251,258</u>	<u>128,687</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		290,577	-	291,327	178,845
<b>CREDITORS</b>					
Amounts falling due after more than one year	17	<u>(123,209)</u>	-	<u>(123,209)</u>	<u>(60,893)</u>
<b>NET ASSETS</b>		<u>167,368</u>	<u>750</u>	<u>168,118</u>	<u>117,952</u>
<b>FUNDS</b>	21				
Unrestricted funds				167,368	97,952
Restricted funds				<u>750</u>	<u>20,000</u>
<b>TOTAL FUNDS</b>				<u>168,118</u>	<u>117,952</u>

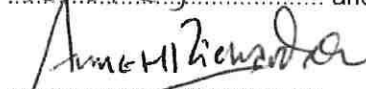
The charitable company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The trustees acknowledge their responsibilities for

- ensuring that the charitable company keeps accounting records that comply with Sections 386 and 387 of the Companies Act 2006 and
- 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 30.8.23 and were signed on its behalf by:

  
Mrs A Richardson - Trustee

HEROS

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(17,033)</u>	<u>(15,744)</u>
Net cash used in operating activities		<u>(17,033)</u>	<u>(15,744)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(13,197)	(10,336)
Interest received		<u>52</u>	<u>8</u>
Net cash used in investing activities		<u>(13,145)</u>	<u>(10,328)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		<u>(7,684)</u>	<u>(5,540)</u>
Net cash used in financing activities		<u>(7,684)</u>	<u>(5,540)</u>
		<u>          </u>	<u>          </u>
<b>Change in cash and cash equivalents in the reporting period</b>		(37,862)	(31,612)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u>98,127</u>	<u>129,739</u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u>60,265</u></u>	<u><u>98,127</u></u>

HEROS

NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
<b>Net income/(expenditure) for the reporting period (as per the Statement of Financial Activities)</b>	50,166	(3,399)
<b>Adjustments for:</b>		
Depreciation charges	23,286	22,809
Interest received	(52)	(8)
Increase in stocks	(45,700)	(32,850)
Increase in debtors	(38,956)	(9,653)
(Decrease)/increase in creditors	<u>(5,777)</u>	<u>7,357</u>
<b>Net cash used in operations</b>	<u>(17,033)</u>	<u>(15,744)</u>

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1/4/22 £	Cash flow £	At 31/3/23 £
<b>Net cash</b>			
Cash at bank	<u>98,127</u>	<u>(37,862)</u>	<u>60,265</u>
	<u>98,127</u>	<u>(37,862)</u>	<u>60,265</u>
<b>Debt</b>			
Finance leases	(18,933)	5,540	(13,393)
Debts falling due within 1 year	(102,500)	70,000	(32,500)
Debts falling due after 1 year	<u>(47,500)</u>	<u>(67,856)</u>	<u>(115,356)</u>
	<u>(168,933)</u>	<u>7,684</u>	<u>(161,249)</u>
<b>Total</b>	<u>(70,806)</u>	<u>(30,178)</u>	<u>(100,984)</u>

The notes form part of these financial statements

## HEROS

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

#### 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**

There are no material uncertainties about the charity's ability to continue as a going concern.

##### **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.

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.



# HEROS

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

### 1. ACCOUNTING POLICIES - continued

#### Fund accounting

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

	2023	2022
	£	£
Retraining of racehorses	18,500	8,500
Incoming horses	6,000	4,000
Donations - other	70,424	22,224
Recognition of bloodstock	24,700	28,350
Grants	-	172,962
Legacies	60,536	-
	<u>180,160</u>	<u>236,036</u>

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

	2023	2022
	£	£
Government support - CJRS	-	3,155
Racing Foundation - COVID support	-	169,807
	<u>-</u>	<u>172,962</u>

### 3. OTHER TRADING ACTIVITIES

	2023	2022
	£	£
Fundraising events	85,361	38,221
Payments for goods and services	5,795	8,941
Subscriptions	7,801	7,936
Lease and sale of horses	8,150	8,925
Education and training	273,956	148,174
	<u>381,063</u>	<u>212,197</u>

# HEROS

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

### 4. INVESTMENT INCOME

	2023	2022
	£	£
Deposit account interest	<u>52</u>	<u>8</u>

### 5. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023	2022
		£	£
Grants	Retraining and rehoming of ex-racehorses	<u>171,876</u>	<u>90,690</u>

### 6. RAISING FUNDS

#### Raising donations and legacies

	2023	2022
	£	£
Other	<u>27,937</u>	<u>200</u>

### 7. CHARITABLE ACTIVITIES COSTS

	Direct Costs	Support costs (see note 8)	Totals
	£	£	£
Retraining and rehoming of ex-racehorses	<u>661,372</u>	<u>5,948</u>	<u>667,320</u>

### 8. SUPPORT COSTS

	Governance costs
	£
Retraining and rehoming of ex-racehorses	<u>5,948</u>

### 9. NET INCOME/(EXPENDITURE)

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

	2023	2022
	£	£
Depreciation - owned assets	<u>23,286</u>	<u>22,809</u>

# HEROS

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

### 10. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2023 nor for the year ended 31 March 2022.

#### Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2023 nor for the year ended 31 March 2022.

### 11. STAFF COSTS

	2023 £	2022 £
Wages and salaries	145,662	124,085
Social security costs	<u>4,629</u>	<u>3,489</u>
	<u>150,291</u>	<u>127,574</u>

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

	2023 <u>9</u>	2022 <u>6</u>
Total		

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 £32,019 (2022: £32,076).

### 12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	236,036	-	236,036
<b>Charitable activities</b>			
Retraining and rehoming of ex-racehorses	60,690	30,000	90,690
Other trading activities	212,197	-	212,197
Investment income	8	-	8
Other income	<u>21,714</u>	<u>-</u>	<u>21,714</u>
<b>Total</b>	<u>530,645</u>	<u>30,000</u>	<u>560,645</u>
<b>EXPENDITURE ON</b>			
Raising funds	200	-	200
<b>Charitable activities</b>			
Retraining and rehoming of ex-racehorses	<u>522,644</u>	<u>41,200</u>	<u>563,844</u>
<b>Total</b>	<u>522,844</u>	<u>41,200</u>	<u>564,044</u>
<b>NET INCOME/(EXPENDITURE)</b>	7,801	(11,200)	(3,399)

**HEROS**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued**

	Unrestricted funds £	Restricted funds £	Total funds £
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	90,151	31,200	121,351
	<u>97,952</u>	<u>20,000</u>	<u>117,952</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>			

**13. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 April 2022	3,450	133,837	23,554	160,841
Additions	<u>-</u>	<u>13,197</u>	<u>-</u>	<u>13,197</u>
At 31 March 2023	<u>3,450</u>	<u>147,034</u>	<u>23,554</u>	<u>174,038</u>
<b>DEPRECIATION</b>				
At 1 April 2022	3,450	84,288	22,945	110,683
Charge for year	<u>-</u>	<u>22,765</u>	<u>521</u>	<u>23,286</u>
At 31 March 2023	<u>3,450</u>	<u>107,053</u>	<u>23,466</u>	<u>133,969</u>
<b>NET BOOK VALUE</b>				
At 31 March 2023	<u>-</u>	<u>39,981</u>	<u>88</u>	<u>40,069</u>
At 31 March 2022	<u>-</u>	<u>49,549</u>	<u>609</u>	<u>50,158</u>

**14. STOCKS**

	2023 £	2022 £
Stocks	<u>180,050</u>	<u>134,350</u>

**15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Trade debtors	43,425	21,778
VAT	<u>38,461</u>	<u>21,152</u>
	<u>81,886</u>	<u>42,930</u>

# HEROS

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

### 16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Bank loans and overdrafts (see note 18)	32,500	102,500
Hire purchase (see note 19)	5,540	5,540
Trade creditors	24,409	32,607
Social security and other taxes	5,062	2,938
Accruals and deferred income	3,432	3,135
	<u>70,943</u>	<u>146,720</u>

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

	2023	2022
	£	£
Bank loans (see note 18)	115,356	47,500
Hire purchase (see note 19)	7,853	13,393
	<u>123,209</u>	<u>60,893</u>

### 18. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>32,500</u>	<u>102,500</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>35,000</u>	<u>10,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>80,356</u>	<u>37,500</u>

### 19. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2023	2022
	£	£
Net obligations repayable:		
Within one year	5,540	5,540
Between one and five years	<u>7,853</u>	<u>13,393</u>
	<u>13,393</u>	<u>18,933</u>

**HEROS**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**20. SECURED DEBTS**

The following secured debts are included within creditors:

	2023 £	2022 £
Hire purchase contracts	<u>13,393</u>	<u>18,933</u>

The hire purchase debt is secured on the related assets.

**21. MOVEMENT IN FUNDS**

	At 1/4/22 £	Net movement in funds £	At 31/3/23 £
<b>Unrestricted funds</b>			
General fund	97,952	69,416	167,368
<b>Restricted funds</b>			
Uniform and tack fund	5,690	(5,690)	-
Gerald Leigh Charitable Trust	14,310	(14,310)	-
Groundworks UK	<u>-</u>	<u>750</u>	<u>750</u>
	<u>20,000</u>	<u>(19,250)</u>	<u>-</u>
<b>TOTAL FUNDS</b>	<u>117,952</u>	<u>50,166</u>	<u>168,118</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	589,423	(520,007)	69,416
<b>Restricted funds</b>			
Enrichment programme	30,000	(30,000)	-
Uniform and tack fund	-	(5,690)	(5,690)
Gerald Leigh Charitable Trust	-	(14,310)	(14,310)
ROR RAP	125,000	(125,000)	-
Groundworks UK	<u>1,000</u>	<u>(250)</u>	<u>750</u>
	<u>156,000</u>	<u>(175,250)</u>	<u>(19,250)</u>
<b>TOTAL FUNDS</b>	<u>745,423</u>	<u>(695,257)</u>	<u>50,166</u>

## HEROS

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

#### 21. MOVEMENT IN FUNDS - continued

The Gerald Leigh Charitable Trust granted HEROS £14,310 to purchase laptops and ipads for use by tutors and students in education. Some of the money was put towards converting the data from the existing server onto "the cloud" to upgrade HEROS existing IT provision. This has been so well received and has made working for everyone much easier. HEROS would like to thank the Trustees of the Gerald Leigh Charitable Trust for their generosity in making this possible.

**Groundworks UK** – £1,000 received in December 2022. Therefore, HEROS have spent on a pro-rata basis £250 of the £1000 so far. This leaves a balance of £750.

**ROR RAP** – The £250,000 annual grant is paid quarterly in advance. The first quarter related to 1.10.22 - 31.12.22 and the second quarter 01.01.23 – 31.03.23 therefore this money has been received and used in the period that it related to.

#### 22. RELATED PARTY DISCLOSURES

During the year the charity purchased goods and services from North Farm Stud Limited of £377,249. At the year-end £9557.36 was owed to North Farm Stud Limited. In addition, the charity invoiced goods and services to North Farm Stud Limited of £13,148. £nil was owed by North Farm Stud Limited. Miss G Muir, the Chief Executive Office of Heros, is a director of North Farm Stud Limited.

#### 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.