

Registered number: 08903538

Charity number: 1161555

BRS EDUCATION LIMITED

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022



BRS EDUCATION LIMITED

CONTENTS

	Page
Reference and Administrative Details of the Company, its Trustees and Advisers	1 - 2
Chairman's Statement	3
Trustees' Report	4 - 10
Independent Auditor's Report on the Financial Statements	11 - 14
Consolidated Statement of Financial Activities	15
Consolidated Balance Sheet	16
Company Balance Sheet	17
Consolidated Statement of Cash Flows	18
Notes to the Financial Statements	19 - 42

BRS EDUCATION LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2022**

Trustees

Julia Budd, Chair of Trustees
Edward Creasy (appointed 7 September 2022)
Simon Eliot
Glen Fendley
Lydia Hislop
Stephen Johnson
Claire Kubler
Andrew Merriam
Lee Moulson (appointed 7 September 2022)
Mark Pendlington (resigned 31 December 2021)
Henrietta Stevens
Justin Wadham

Company registered number

08903538

Charity registered number

1161555

Registered office

British Racing School
Snailwell Road
Newmarket
Suffolk
CB8 7NU

Chief executive officer

Grant Harris (resigned 14/10/2022)
Andrew Braithwaite (appointed 14/10/2022)

Independent auditor

James Cowper Kreston Audit
Chartered Accountants and Statutory Auditor
2 Communications Road
Greenham Business Park
Greenham
Newbury
Berkshire
RG19 6AB

Bankers

Barclays Bank plc
58 High Street
Newmarket
Suffolk
CB8 8NH

BRS EDUCATION LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

Solicitors

Edmondson Hall
25 Exeter Road
Newmarket
Suffolk
CB8 8AR

Investment Manager

Cazenove Capital Management
1 London Wall Place
London
EC2Y 5AU

BRS EDUCATION LIMITED

CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 JULY 2022

The Chair of Trustees' presents her statement for the year.

In my last report, I made the comment that the years to come would present challenges for the British Racing School (BRS), but I did not anticipate the extent and depth of economic difficulty and political turmoil that we are now experiencing. I am delighted that the second part of my prediction for the future has proven to be sound and the BRS continues to rise to the challenge, however difficult the environment may be.

The significant increases in costs have inevitably had an impact on both the BRS as an organisation and our team as individuals; nonetheless, thanks to a solid balance sheet the Board of Trustees has been able to take a long-term view and focus on providing a high-quality, high value experience to those we train. We are also beginning to see benefit from our investment in a Head of Fundraising. Huge thanks must go to our long standing and new supporters - without your generosity we would not be able to provide life changing opportunities to so many young people.

We are signatories to the British Horseracing Authority Industry Commitment on diversity and inclusion and have continued to put D&I front and centre in our decision making. To this end we have recruited two new Trustees in the year who add further diversity to the Board, and I take great pleasure in the success of the Khadijah Mellah Scholarship, which aims to help young people from underrepresented groups access the horseracing industry. The first cohort from the year-long programme graduated in July 2022, with five graduates of the programme moving directly to our Foundation Courses. The Newmarket Pony Academy, the BRS' other new initiative, continues to grow and serve a larger number of young people; I am also particularly looking forward to seeing how the partnership with Epsom racecourse develops as we look to expand the programme beyond Newmarket.

Andrew Braithwaite played a significant role in the creation of the Newmarket Pony Academy, and it gives me great pleasure to congratulate him on his promotion to his new role as Chief Executive. Andrew was appointed following a robust recruitment process during which a diverse group of candidates was considered, including those within the industry and others who came with very strong credentials in the field of education. The combination of Andrew's understanding of our sport, his finance and leadership skills, the respect with which he is held at the school and his real passion for helping the trainees we develop, made him a standout candidate. I very much look forward to working with him and the whole team at the BRS as we continue to serve racing whilst improving the life chances of so many people who have the opportunity to play integral roles within our industry.

My sincere thanks go to our outgoing Chief Executive, Grant Harris, for his hard work and dedication to the BRS during his nine years at the helm, we all wish him well as he moves on to his next challenge.

Lastly, and most importantly, I would like to record my appreciation and respect for those we train and the many great employers who provide fantastic opportunities for people to realise their dreams within the sport of horseracing. The commitment, effort, and good humour that our trainees and graduates demonstrate on a daily basis makes the BRS a very special and inspiring educational centre.

J Budd
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Julia Budd
Chair of Trustees
Date: 23 April 2023

BRS EDUCATION LIMITED

TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2022

CHIEF EXECUTIVE'S REPORT

It is a huge honour to write my first report as the Chief Executive of the BRS and I must start by thanking the Trustee Board for placing their trust in me. It has been a privilege during my time at the BRS to work with so many talented and hardworking people who share my vision for the school and the people we develop. I am looking forward to my new role and to working together to continuously improve and expand on the brilliant work achieved through the course of the BRS' existence. In particular, I am excited to have the opportunity to strengthen our relationship with the many excellent trainers we work with across the country who provide fantastic opportunities for young people within this sport which we all love so much.

It has been a great joy to see the activity levels at the BRS return to, and surpass, pre pandemic levels. The whole team worked incredibly hard to maintain the residential Foundation Course training throughout the pandemic and ensure the BRS was in a position to take advantage of the relaxing of the restrictions required by the pandemic. As one challenge recedes, another emerges, but I have complete confidence that the teamwork, dedication, togetherness and commitment to the BRS which the team demonstrated during the pandemic will also see us through the current economic difficulties.

The BRS has always been about improvement, both for those we train and for us as an organisation, and I am determined that the focus on continual improvement continues. As such, an early priority for me will be to get out and about and meet as many employers and graduates of the BRS as possible, so I can learn from them about what the BRS can improve on and better understand the needs of our employers so we can best prepare those we train. Aligned to this is a desire to expand the training we offer and provide high quality support for those already working in the sport, to ensure that as a collective we make the most of the talent already in the sport and retain that talent for as long as possible.

Secondly, we will continue to work hard on making the BRS an ever more welcoming place where anyone with dedication and passion for the horse can succeed, regardless of their background. I am committed not only to doing this because it is the right thing for those individuals, but also because it will make the BRS and the wider sport better. Whilst this work is led by flagship programmes like the Riding A Dream Academy, true success will be creating accessibility across the organisation.

The final area of focus will be on environmental sustainability and ensuring that the progress we have made to date is not only maintained but also accelerated. We will set up a sustainability committee, led by our new Head of Finance and with Trustee involvement, which will report to the Board at every Trustee meeting.

I would like to finish this report by thanking all those that we have trained and will train in the future. It is a great privilege to have the opportunity to make a positive difference to the lives of so many by helping them improve their skills, build their characters and through introducing them to opportunities. Our trainees are a constant source of inspiration to everyone who comes into contact with the BRS.

A Braithwaite

Andrew Braithwaite 24 Apr 2023 15:47:17 BST (UTC +1)

Andrew Braithwaite
Chief Executive

Date: 23 April 2023

BRS EDUCATION LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

The Trustees present their annual report together with the audited financial statements of BRS Education Limited for the period 1 August 2021 to 31 July 2022. The Annual Report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual Report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Financial Review

Activity levels in the year to 31 July 2022 have returned to pre-covid levels in terms of our core training but the impact of the pandemic remained a factor for international training and the demand for conferences and events is only now beginning to pick up. We also began to feel the impact of rising prices and have been impacted by a fall in the value of our investments. As a result, the Charity's net surplus for the period, before depreciation, was £128,984 (2021: £231,946).

The Trustees are mindful of the requirement to balance the needs of the Charity's current beneficiaries with the needs of future generations over the long term and therefore aim to balance income and costs over the long term. In the short term, however, the priority is to continue to provide a high-quality service, in the face of rapidly rising costs, and therefore the Trustees have approved a budget for 2022-23 that forecasts a deficit. Plans are in place both to mitigate the increases in costs wherever possible and to increase income.

The operation of the Charity is funded from three main sources. The largest source is funding from the Education and Skills Funding Agency for the delivery of Study Programs and Apprenticeships; £1,259,795 was received in the year ended 31 July 2022 (2021: £1,048,258).

Secondly, the Charity receives industry funding via The British Horseracing Authority which originates from the Horserace Betting Levy Board and from a deduction from prize money under rule F119. The amount received in the year was £1,098,912 (2021: £1,053,631).

Thirdly, the Charity generates income from various training activities, including courses for jockeys, trainers and other participants within the horseracing industry. A total of £1,104,074 (2021: £711,507) course fees were generated in the year.

The vast majority of the resources expended in the year relate to the costs of delivering Apprenticeships and courses for the racing industry, and thus supporting the key objectives of the Charity. Costs are closely monitored and controlled with savings being made where possible.

The apportionment of all costs relating to charitable activities between the delivery of traineeships, study programs and apprenticeships and other courses highlights the mutual reliance these activities have upon each other. The Charity is only able to break even if income from all activities remain at their current level or increase; no single activity could support the high operating costs on its own.

The Trustees expect that the current level of activity can be sustained for the foreseeable future.

Fundraising

The Charity is registered with the Fundraising Regulator and all fundraising activities undertaken are carried out with reference to the Code of Fundraising Practice and best practice recommendations. The Charity does not use the services of any external fundraising companies.

During the year no complaints were received in relation to the Charity's fundraising practices.

Trading Performance

Turnover of BRS Training Limited remained low as a result of the COVID-19 restrictions and the impact on our ability to host conferences and events. The fixed costs of BRS Training Limited were reduced as far as possible and income increased on the prior year leading to a profit of £24,113 (2021: loss £18,968). Conference and events bookings are increasing, and the Trustees have approved the 2022/23 budget which forecasts a return to profit.

BRS EDUCATION LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

Investment Powers and Policy

The Trustees intend that the real value of the fund's investments be maintained and enhanced over the long term through investment in a balanced, diversified portfolio of assets.

Investment powers relating to the Paul Mellon Fund are governed by the restrictions imposed by the Executors of the Estate of the late Paul Mellon, which permit the funds to be invested in the manner shown in note 20 to the financial statements.

Other than those relating to the Mellon Fund, there are no material restrictions on the operations and investment powers of the Charity in pursuance of its charitable obligations.

The Charity's investment management is delegated to Cazenove Capital Management and managed on a balanced mandate. Performance is measured regularly against a range of FTSE indices, the ARC Sterling Balanced Private Client Index (PCI) and CPI +3%.

Reserves Policy and Going Concern

The Trustees have considered the expected future income and expenditure of the Charity and the likely impact of high inflation and have confirmed the aim to maintain 'free reserves' equivalent to 6 months running costs; of this amount a sum equivalent to 3 months running costs will be held in cash or Index Linked Gilts. This policy is currently met. The Charity had unrestricted reserves of £2,904,255 (2021: £3,305,842).

The level of reserves held in restricted funds is dictated by the specific restrictions imposed by the donors as detailed in note 21 to the financial statements.

All funds are held in furtherance of the Charity's principal activities.

The impact of rising prices and the forecast recession remain unknown; the continuing demand for our training, both from young people and employers, however, indicates a strong need for our services. This level of demand combined with our contracts with the Education and Skills Funding Agency and Horseracing Betting Levy Board, and the current quantum of our reserves, allows the Trustees to be confident that the Charity can continue to operate for the foreseeable future.

STRUCTURE, GOVERNANCE & MANAGEMENT

Governing Instrument

The Apprentice School Charitable Trust was first established in 1980. On the 1 April 2016 the assets and liabilities of The Apprentice School Charitable Trust were transferred to BRS Education Limited (BRS). BRS Education Limited is a company registered in England and Wales under company number 08903538 and is governed by its memorandum and articles of association. It does not have share capital and the liability of members is limited by guarantee.

BRS Education Limited is a charity under the terms of the Charities Act 2011 and its registration number is 1161555.

Recruitment and Training of Trustees

The Trustees of the BRS have specialist experience and expertise in a range of areas that are of benefit to the activities of the Charity. Trustees serve for a term of 3 years after which they may stand for further terms of 3 years.

In order to ensure that we continue to recruit high-calibre Trustees from diverse backgrounds the Trustee Board has agreed that for all future board vacancies, an appointments committee made up of Trustees and Senior Managers will be formed to advertise for, interview and select new Trustees. Increasing the diversity of the Board is a strategic aim of the Charity.

BRS EDUCATION LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JULY 2022

New Trustees attend a briefing session on the aims, objectives and strategy of the Charity and are briefed on recent and pending decisions made by the Board. In addition, new Trustees spend one day observing the day-to-day operations of the Charity, are provided with a Trustee handbook and attend an external Trustee Training Course.

All Trustees undergo Disclosure and Baring Service and Section 128 checks.

Organisational Structure

The Board of Trustees maintains full and effective control over the Charity and has ultimate responsibility for the activities and financial stability of the Charity. Quarterly meetings are held to make strategic and policy decisions, as well as consideration of major capital expenditure and significant operational decisions. In addition to formal meetings, The Chair and trustees are also consulted at any time when it is deemed appropriate to do so.

There are separate Safeguarding, Equality & Diversity, Training & Education and Finance & Remuneration Committees which report to the main board.

The implementation of policies and decisions and the day to day running of the charity are delegated to the Chief Executive, along with the Senior Management Team.

The Charity has a wholly owned trading subsidiary, BRS Training Limited (Company number 03501079). BRS Training Limited was incorporated in 1998 in order to allow the Charity to generate income from non-charitable activities. The income generated by the trading subsidiary is used to support the charitable activities of the Charity. BRS Training Limited is controlled and managed in parallel with the Charity.

Connected Charities and Organisations

The Charity works closely with charities and other organisations within the horseracing industry, the education sector and with charities and groups involved in increasing opportunities for young people. It is involved in the British Horseracing Authority Vocational Training Strategy Group which sets out the policy and strategy for training in the racing industry. It also works closely with Racing Welfare, the Injured Jockeys Fund and other charitable and representative organisations within racing.

The Charity holds contracts with the Education and Skills Funding Agency and West Suffolk College for the delivery of Government funded Apprenticeships, Traineeships and Study Programmes.

Pay Policy for Senior Staff

The key management personnel of the Charity comprise the Chief Executive, the Operations Director and the Finance Director. The total employee benefits of the key management personnel in the period were £309,592 (2021: £293,561).

The Finance Sub-committee, comprised of the Chairman and two Trustees, set the remuneration and benefits of the key management personnel with reference to performance and market conditions.

Risk Management and Internal Control

The Board of Trustees and Management are aware of the types of risk the charity faces through their knowledge of the horseracing industry, experience of training organisations and through their working knowledge of the Charity. Appropriate strategies are in place to mitigate these risks and risk management is an ongoing procedure, embedded in the day-to-day operations of the Charity.

The Trustees have overall responsibility for ensuring the Charity has appropriate systems of internal control. These systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss.

BRS EDUCATION LIMITED**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

They include:

- an annual budget approved by the Trustees
- regular consideration by the Trustees of financial results, variance from budgets and non-financial performance indicators
- delegation of authority and segregation of duties
- established organisational structure and lines of reporting
- formal written policies
- a risk register
- clear authorisation and approval levels
- formal agendas for all Board activity

The principal risks that may impact the Charity are outlined below.

1. Government Funding

The Charity is heavily reliant on continued Government funding. In the year ended 31 July 2022 Government funding amounted to 36% (2021 37%) of income from charitable activities. This level of dependency is expected to continue in the future. The Trustees are aware that Government policy and funding is subject to continual change and that this may result in a reduction in the Charity's Government funding in the future.

This risk is mitigated in a number of ways

- A dedicated Government Contracts Manager is employed to ensure regular contact with the relevant Government departments and to ensure continued compliance with the terms of the Charity's contracts.
- The Charity is a member of the Association of Education and Learning Providers and senior members of staff regularly attend seminars to ensure the Charity is aware of planned changes to Government funding.
- The Charity maintains a strong relationship with local MPs and the Minister for Skills.
- The Charity continues to diversify the training it delivers to reduce the dependence on Government funding.

2. Industry Funding

The Charity is reliant on funding provided by the horseracing industry and any reduction in the level of funding received would have an impact on the ability of the Charity to meet the needs of its beneficiaries. In 2019 the Charity benefited from an uplift in funding from the horseracing industry and income at this higher level was maintained in 2021 and 2022. The impact of the coronavirus pandemic on the horseracing industry was not as significant as first feared, and trade at the major horse sales in 2022 has been strong. Notwithstanding this rising price and a worsening of the global economic outlook will have a negative impact on the industry in 2023 and we are therefore far from complacent.

This risk of a reduction to industry support is mitigated in a number of ways

- Trustees and senior members of staff meet regularly with representatives of the British Horseracing Authority and other trade bodies to ensure the Charity continues to meet the education and training needs of the industry.
- The Charity continues to diversify the training it delivers to reduce the dependence on Industry funding.

3. Safeguarding

The safeguarding of trainees and vulnerable people is taken very seriously at the Charity and the Trustees are aware of the potentially serious implications of any incident at the Charity, both for the individuals affected and for the Charity itself.

This risk is mitigated in a number of ways

- The Charity operates a Safeguarding Sub-Committee made up of two Trustees, the Charity's Designated Safeguarding Lead and the two Deputy Designated Safeguarding Lead's. The committee is chaired by a Trustee with safeguarding experience in an educational environment.
- The Safeguarding Sub-Committee reviews the Charity's safeguarding policies quarterly to ensure the Charity continually meets best practice standards.

BRS EDUCATION LIMITED

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022**

- The Safeguarding Sub-Committee conducts a Safeguarding review annually, this review includes interviewing staff and trainees.
- The Charity follows best practice in maintaining DBS and Section 128 checks for Trustees and Staff.
- The Charity follows the NSPCC's Safer Recruitment Procedures when recruiting Trustees and staff.
- Given the inherent risks of working with racehorses, considerable emphasis is placed on health and safety. We have comprehensive procedures in place to ensure that we eliminate where possible, any potential health and safety risk. To provide this, health and safety is integrated into all our activities and the Charity employs a dedicated Health and Safety Consultant.
- The Charity's Health & Safety Consultant reports to the Trustees on a quarterly basis.
- All staff receive Safeguarding training during the annual staff training week and at quarterly staff meetings.

BRS EDUCATION LIMITED**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2022****Statement of Trustees' responsibilities**

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, James Cowper Kreston Audit, has indicated its willingness to continue in office. The designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

J Budd

Julia Budd 23 Apr 2023 16:47:23 BST (UTC +1)

.....
Julia Budd

Chair of Trustees

Date: 23 April 2023

BRS EDUCATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRS EDUCATION LIMITED

Opinion

We have audited the financial statements of BRS Education Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 July 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' 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 Group's or the parent charitable 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 Trustees with respect to going concern are described in the relevant sections of this report.

BRS EDUCATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRS EDUCATION LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

BRS EDUCATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRS EDUCATION LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of noncompliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.;

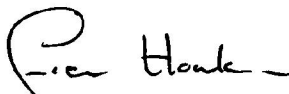
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

BRS EDUCATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRS EDUCATION LIMITED (CONTINUED)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Fiona Hawkins BSc (Hons) MSc FCA (Senior statutory auditor)
for and on behalf of

James Cowper Kreston Audit
Chartered Accountants and Statutory Auditor
2 Communications Road
Greenham Business Park
Greenham
Newbury
Berkshire
RG19 6AB

Date: *25/04/2023*

BRS EDUCATION LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	191,295	374,105	565,400	335,538
Charitable activities	5	3,462,781	-	3,462,781	2,813,396
Income from BRS Training Ltd	6	99,962	-	99,962	75,366
Investments	7	26,208	13,733	39,941	40,469
Other income	8	270,366	-	270,366	215,479
Total income		4,050,612	387,838	4,438,450	3,480,248
Expenditure on:					
Raising funds:					
Costs of BRS Training Ltd		106,608	-	106,608	121,036
Investment management		11,504	4,705	16,209	16,019
Charitable activities	9	4,263,205	256,989	4,520,194	3,870,649
Other expenditure		22,141	-	22,141	24,266
Total expenditure		4,403,458	261,694	4,665,152	4,031,970
Net (expenditure)/income before net (losses)/gains on investments		(352,846)	126,144	(226,702)	(551,722)
Net (losses)/gains on investments		(102,400)	(23,350)	(125,750)	320,257
Net (expenditure)/income		(455,246)	102,794	(352,452)	(231,465)
Transfers between funds	20	53,659	(53,659)	-	-
Net movement in funds		(401,587)	49,135	(352,452)	(231,465)
Reconciliation of funds:					
Total funds brought forward		3,305,842	2,555,399	5,861,241	6,092,706
Net movement in funds		(401,587)	49,135	(352,452)	(231,465)
Total funds carried forward		2,904,255	2,604,534	5,508,789	5,861,241

The Consolidated Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 42 form part of these financial statements.

BRS EDUCATION LIMITED
REGISTERED NUMBER: 08903538

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	2,984,659	3,135,321
Investments	15	2,382,652	2,707,385
		<u>5,367,311</u>	<u>5,842,706</u>
Current assets			
Stocks	16	12,032	21,294
Debtors	17	405,576	305,082
Investments	18	235,995	166,939
Cash at bank and in hand		163,380	158,260
		<u>816,983</u>	<u>651,575</u>
Creditors: amounts falling due within one year	19	(675,505)	(633,040)
Net current assets		<u>141,478</u>	<u>18,535</u>
Total assets less current liabilities		<u>5,508,789</u>	<u>5,861,241</u>
Total net assets		<u><u>5,508,789</u></u>	<u><u>5,861,241</u></u>
Charity funds			
Restricted funds	20	2,604,534	2,555,399
Unrestricted funds	20	2,904,255	3,305,842
Total funds		<u><u>5,508,789</u></u>	<u><u>5,861,241</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

J Budd
 Julia Budd 23 Apr 2023 16:47:23 BST (UTC +1)

Julia Budd
 Chair of Trustees

Date: 23 April 2023

The notes on pages 19 to 42 form part of these financial statements.

BRS EDUCATION LIMITED
REGISTERED NUMBER: 08903538

COMPANY BALANCE SHEET
AS AT 31 JULY 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	2,871,877	2,997,476
Investments	15	2,532,652	2,857,385
		<u>5,404,529</u>	<u>5,854,861</u>
Current assets			
Stocks	16	7,990	13,493
Debtors	17	427,064	331,473
Investments	18	235,995	166,939
Cash at bank and in hand		93,265	134,597
		<u>764,314</u>	<u>646,502</u>
Creditors: amounts falling due within one year	19	(659,320)	(615,276)
Net current assets		<u>104,994</u>	<u>31,226</u>
Total assets less current liabilities		<u>5,509,523</u>	<u>5,886,087</u>
Total net assets		<u>5,509,523</u>	<u>5,886,087</u>
Charity funds			
Restricted funds	20	2,604,534	2,555,399
Unrestricted funds	20	2,904,989	3,330,688
Total funds		<u>5,509,523</u>	<u>5,886,087</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

J Budd

Julia Budd 23 Apr 2023 19:47:23 BST (UTC +1)

.....
Julia Budd
Chair of Trustees

Date: 24 April 2023

The notes on pages 19 to 42 form part of these financial statements.

BRS EDUCATION LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022**

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash used in operating activities	24	154,226	(17,127)
Cash flows from investing activities			
Dividends, interests and rents from investments		39,941	40,469
Proceeds from the sale of tangible fixed assets		11,800	10,000
Purchase of tangible fixed assets		(330,774)	(135,409)
Movement of investments		198,983	(2,671)
Net cash used in investing activities		(80,050)	(87,611)
Change in cash and cash equivalents in the year		74,176	(104,738)
Cash and cash equivalents at the beginning of the year		325,199	429,937
Cash and cash equivalents at the end of the year	25	399,375	325,199

The notes on pages 19 to 42 form part of these financial statements

BRS EDUCATION LIMITED

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

1. General information

BRS Education Limited is a company limited by guarantee incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company. Its registered office and principal place of business is British Racing School, Snailwell Road, Newmarket, Suffolk, CB8 7NU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

BRS Education Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Financial Activities in these financial statements.

2.2 Income

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Company has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Company, can be reliably measured.

Course fees

Fees receivable, charges for services and use of premises are accounted for in the period in which the service is provided. Fees received in advance are held as liabilities and taken to income in the period in which the service is given.

Donations

Donations receivable for the general purposes of the Charity are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds where these wishes are legally binding on the Trustees.

Other income

Other incoming resources are included in the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****2. Accounting policies (continued)****2.3 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated to the applicable expenditure headings.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Expenditure is accounted for on an accruals basis. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the period.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the Trustees and all the costs of complying with constitutional and statutory requirements, such as the costs of preparing financial statements and satisfying public accountability.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.4 Basis of consolidation

The financial statements consolidate the accounts of BRS Education Limited and all of its subsidiary undertakings ('subsidiaries').

2.5 Government grants

Government grants relating to Coronavirus Job Retention Scheme (CJRS) are recognised in the period to which they relate.

2.6 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

BRS EDUCATION LIMITED

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

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

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

Depreciation is provided on the following bases:

Freehold buildings	- 2-20%
Training equipment	- 10-33%
Motor vehicles	- 25%
Fixtures and fittings	- 33%
All weather gallops	- 5-15%

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated Statement of Financial Activities.

The Charity does not acquire put options, derivatives or other complex financial instruments.

A risk faced by the Charity is volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised and unrealised investment gains and losses are combined in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

BRS EDUCATION LIMITED

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

2. Accounting policies (continued)

2.13 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

2.15 Pensions

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the fund in respect of the year.

The cost of these contributions is charged in the SOFA as incurred.

The Trust has no liability beyond making its contributions and paying across the deductions for the employees' contributions.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

BRS EDUCATION LIMITED

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

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical areas of judgement:

Tangible fixed assets (see note 14)

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****4. Income from donations and grants**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	130,656	124,105	254,761	103,218
Grants	60,639	250,000	310,639	217,960
Government grants	-	-	-	14,360
Total 2022	191,295	374,105	565,400	335,538
Total 2021	211,788	123,750	335,538	

5. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from the Education and Skills Funding Agency	1,259,795	1,259,795	1,048,258
Industry contribution towards stable staff training	1,098,912	1,098,912	1,053,631
Course fees received	1,104,074	1,104,074	711,507
Total 2022	3,462,781	3,462,781	2,813,396
Total 2021	2,813,396	2,813,396	

6. Income from other trading activities**Income from non charitable trading activities**

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from BRS Training Ltd	99,962	99,962	75,366
Total 2021	75,366	75,366	

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****7. Investment income**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Investment income	26,208	13,733	39,941	40,469
Total 2021	26,427	14,042	40,469	

8. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Miscellaneous income	56,616	56,616	40,481
Lease income	45,968	45,968	28,876
Rental income	77,860	77,860	70,849
Accommodation charge income	78,122	78,122	74,671
Profit on disposal of fixed assets	11,800	11,800	602
Total 2022	270,366	270,366	215,479
Total 2021	215,479	215,479	

9. Analysis of expenditure on charitable activities**Summary by fund type**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Stable staff training	3,527,646	181,842	3,709,488	3,212,639
Other courses	735,559	75,147	810,706	658,010
Total 2022	4,263,205	256,989	4,520,194	3,870,649
Total 2021	3,650,529	220,120	3,870,649	

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****9. Analysis of expenditure on charitable activities (continued)****Summary by expenditure type**

	Staff costs 2022 £	Depreciation 2022 £	Other costs 2022 £	Total 2022 £	Total 2021 £
Stable staff training	1,745,839	378,790	1,584,859	3,709,488	3,212,639
Other courses	357,582	77,583	375,541	810,706	658,010
Total 2022	2,103,421	456,373	1,960,400	4,520,194	3,870,649
Total 2021	1,744,114	435,283	1,691,252	3,870,649	

10. Analysis of expenditure by activities

	Direct costs 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Stable staff training	2,975,456	734,032	3,709,488	3,212,639
Other courses	665,826	144,880	810,706	658,010
Total 2022	3,641,282	878,912	4,520,194	3,870,649
Total 2021	3,087,904	782,745	3,870,649	

Analysis of direct costs

	Stable staff training 2022 £	Other courses 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	1,745,839	357,582	2,103,421	1,744,114
Direct costs	937,473	308,244	1,245,717	1,027,064
Horse costs	267,879	-	267,879	291,124
Governance costs	24,265	-	24,265	25,602
Total 2022	2,975,456	665,826	3,641,282	3,087,904
Total 2021	2,562,621	525,283	3,087,904	

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****10. Analysis of expenditure by activities (continued)****Analysis of direct costs (continued)****Analysis of support costs**

	Stable staff training 2022 £	Other courses 2022 £	Total funds 2022 £	Total funds 2021 £
Depreciation	378,790	77,583	456,373	435,283
Support costs	355,242	67,297	422,539	347,462
Total 2022	734,032	144,880	878,912	782,745
Total 2021	650,018	132,727	782,745	

11. Auditor's remuneration

	2022 £	2021 £
Fees payable to the auditor in respect of: Audit and preparation of the BRS Education Limited annual accounts	14,000	8,560
Fees payable to the auditor in respect of: Audit and preparation of the BRS Training Limited annual accounts	5,200	5,000
BRS Training Limited corporation tax fee	800	640

12. Staff costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	1,756,195	1,465,438	1,754,195	1,463,438
Social security costs	162,843	125,319	162,843	125,319
Other pension costs	184,383	153,357	184,383	153,357
Total	2,103,421	1,744,114	2,101,421	1,742,114

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****12. Staff costs (continued)**

The average number of persons employed by the Company during the year was as follows:

	Group 2022 No.	Group 2021 No.
Chief executive	1	1
Training staff	39	29
Administrative staff	16	16
Facilities management	9	8
	65	54

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	2	1
In the band £100,001 - £110,000	1	1

The key management personnel of the parent charity and the group comprise Trustees and the Senior Management Team. The total employee benefits of the key management personnel were £309,592 for the year (2021: £293,561).

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021: £NIL).

During the year, one Trustee received remuneration for lecturing services totalling £11,839 (2021: one Trustee £1,463).

During the year, five Trustees was reimbursed travel expenses totalling £1,142 (2021: one Trustee £84).

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****14. Tangible fixed assets****Group**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 August 2021	8,014,272	418,849	245,671	832,278	9,511,070
Additions	258,290	13,933	33,897	24,654	330,774
Disposals	-	-	(20,000)	-	(20,000)
At 31 July 2022	<u>8,272,562</u>	<u>432,782</u>	<u>259,568</u>	<u>856,932</u>	<u>9,821,844</u>
Depreciation					
At 1 August 2021	4,969,784	398,036	198,856	809,073	6,375,749
Charge for the year	421,992	14,227	22,951	22,266	481,436
On disposals	-	-	(20,000)	-	(20,000)
At 31 July 2022	<u>5,391,776</u>	<u>412,263</u>	<u>201,807</u>	<u>831,339</u>	<u>6,837,185</u>
Net book value					
At 31 July 2022	<u>2,880,786</u>	<u>20,519</u>	<u>57,761</u>	<u>25,593</u>	<u>2,984,659</u>
At 31 July 2021	<u>3,044,488</u>	<u>20,813</u>	<u>46,815</u>	<u>23,205</u>	<u>3,135,321</u>

Included in land and buildings is freehold land at valuation of £250,000, with a historical cost of £250,000 which is not depreciated.

On 16 August 1996 the freehold property comprising The British Racing School together with an associated cottage was valued at £990,000 by J A Gibson FNAEA of Black Horse Agencies Januarys. The valuation was prepared on the basis of open market value for the property's existing use and also its potential for other uses within the racing and bloodstock industry.

This valuation was adopted in the financial statements for the year ended 31 March 1996 and all subsequent expenditure on freehold land and buildings has been included at cost. Depreciation has been provided on such amounts in accordance with the accounting policy disclosed in note 2 to the financial statements.

In implementing FRS 15 'Tangible Fixed Assets', and in implementing FRS 102, the Trustees decided to retain the land and buildings at the current carrying amount of £2,880,786 which comprises the valuation of £990,000 at 31 March 1996 augmented by expenditure since that date.

In adopting this policy the Trustees are satisfied that the current carrying amounts have not been subject to impairment and the valuation has not therefore been formally updated.

Had the valuation at 31 March 1996 not been adopted the carrying amount of the freehold land and buildings would have been a cost of £8,989,676 accumulated depreciation of £6,367,180 resulting in a net book value of £2,622,496.

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****14. Tangible fixed assets (continued)****Company**

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 August 2021	7,592,842	318,721	245,671	773,884	8,931,118
Additions	258,290	13,933	33,897	24,654	330,774
Disposals	-	-	(20,000)	-	(20,000)
At 31 July 2022	<u>7,851,132</u>	<u>332,654</u>	<u>259,568</u>	<u>798,538</u>	<u>9,241,892</u>
Depreciation					
At 1 August 2021	4,682,801	300,518	198,856	751,467	5,933,642
Charge for the year	399,132	14,227	22,951	20,063	456,373
On disposals	-	-	(20,000)	-	(20,000)
At 31 July 2022	<u>5,081,933</u>	<u>314,745</u>	<u>201,807</u>	<u>771,530</u>	<u>6,370,015</u>
Net book value					
At 31 July 2022	<u>2,769,199</u>	<u>17,909</u>	<u>57,761</u>	<u>27,008</u>	<u>2,871,877</u>
At 31 July 2021	<u>2,910,041</u>	<u>18,203</u>	<u>46,815</u>	<u>22,417</u>	<u>2,997,476</u>

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****15. Fixed asset investments**

Group	Investment Funds £	Rory MacDonald and James Harris Fund £	Mellon Fund £	Total £
Cost or valuation				
At 1 August 2021	1,907,399	152,284	647,702	2,707,385
Cash movement	(34,713)	(19,830)	(14,513)	(69,056)
Management fee	(11,504)	(470)	(4,235)	(16,209)
Investment income	26,208	6,085	7,648	39,941
Unrealised/realised (losses)	(102,400)	(5,848)	(17,502)	(125,750)
Drawdown	(100,000)	(20,000)	(33,659)	(153,659)
At 31 July 2022	<u>1,684,990</u>	<u>112,221</u>	<u>585,441</u>	<u>2,382,652</u>
Net book value				
At 31 July 2022	<u>1,684,990</u>	<u>112,221</u>	<u>585,441</u>	<u>2,382,652</u>
At 31 July 2021	<u>1,907,399</u>	<u>152,284</u>	<u>647,702</u>	<u>2,707,385</u>

Group Material Investments

Investments representing individually over 5% of the portfolio valuation at the year end were:

	31 July 2022 £	Portfolio % 2022
UK Based Equities	179,604	7.38
Non-UK Equities	1,009,473	41.48
UK Bonds	388,867	15.98
Non-UK Bonds	183,608	7.55
Alternatives - structured products and other	671,881	27.61

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****15. Fixed asset investments (continued)**

Company	Investments in subsidiary companies £	Investment Funds £	Rory MacDonald and James Harris Fund £	Mellon Fund £	Total £
Cost or valuation					
At 1 August 2021	150,000	1,907,399	152,284	647,702	2,857,385
Cash movement	-	(34,713)	(19,830)	(14,513)	(69,056)
Management fee	-	(11,504)	(470)	(4,235)	(16,209)
Investment income	-	26,208	6,085	7,648	39,941
Unrealised/realised (losses)	-	(102,400)	(5,848)	(17,502)	(125,750)
Drawdown	-	(100,000)	(20,000)	(33,659)	(153,659)
At 31 July 2022	150,000	1,684,990	112,221	585,441	2,532,652
Net book value					
At 31 July 2022	150,000	1,684,990	112,221	585,441	2,532,652
At 31 July 2021	150,000	1,907,399	152,284	647,702	2,857,385

On 29 January 1998 BRS Education Limited acquired the whole of the issued share capital of BRS Training Limited, a company incorporated on that date and registered in England and Wales.

BRS Training Limited commenced trading on 1 April 1998 and its principal activities are the provision of conference and event services, including room hire and catering. A summary of its trading activity is disclosed in note 31.

16. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Merchandise and bar stock	4,042	7,801	-	-
Animal feed and bedding	7,990	13,493	7,990	13,493
	12,032	21,294	7,990	13,493

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****17. Debtors**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	217,065	139,019	195,700	112,763
Amounts owed by group undertakings	-	-	72,686	82,476
Other debtors	7,356	5,693	568	-
Prepayments and accrued income	181,155	160,370	158,110	136,234
	405,576	305,082	427,064	331,473

18. Current asset investments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash for investment	235,995	166,939	235,995	166,939

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****19. Creditors: Amounts falling due within one year**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank overdrafts	1,459	1,459	1,459	1,459
Trade creditors	118,497	53,267	114,536	51,640
Other taxation and social security	44,984	45,994	44,984	45,994
Other creditors	68,495	64,877	68,495	64,877
Accruals and deferred income	442,070	467,443	429,846	451,306
	675,505	633,040	659,320	615,276
	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Deferred income at 1 August 2021	264,652	200,715	262,107	197,497
Resources deferred during the year	281,958	264,652	370,659	262,107
Amounts released from previous periods	(264,652)	(200,715)	(262,107)	(197,497)
	281,958	264,652	370,659	262,107

Deferred income relates to amounts received in advance for courses that have yet taken place and advance receipts for services to be performed under contractual agreements.

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****20. Statement of funds****Statement of funds - current year**

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2022 £
Unrestricted funds						
Charitable company and subsidiary	3,290,422	4,050,612	(4,388,038)	53,659	(102,400)	2,904,255
Development fund	15,420	-	(15,420)	-	-	-
	<u>3,305,842</u>	<u>4,050,612</u>	<u>(4,403,458)</u>	<u>53,659</u>	<u>(102,400)</u>	<u>2,904,255</u>
Restricted funds						
Building Fund	1,316,604	-	(133,586)	-	-	1,183,018
Mellon Fund	687,904	7,648	(4,235)	(33,659)	(17,502)	640,156
New Barn Fund	59,119	-	(8,294)	-	-	50,825
Rory MacDonald and James Harris Fund	153,113	6,085	(470)	(20,000)	(5,848)	132,880
Moller Wing conversion	35,267	-	(2,453)	-	-	32,814
Simulator Fund	2,400	-	(2,400)	-	-	-
Gym conversion	120,000	-	-	-	-	120,000
Recreation room	78,700	-	-	-	-	78,700
Front loader (Godolphin)	6,231	-	(2,556)	-	-	3,675
The Newmarket Pony Academy	81,061	124,105	(79,143)	-	-	126,023
IT suite	15,000	-	-	-	-	15,000
Electric car project	-	25,000	(2,160)	-	-	22,840
American barn project	-	150,000	(6,775)	-	-	143,225
Childwick Trust	-	75,000	(19,622)	-	-	55,378
	<u>2,555,399</u>	<u>387,838</u>	<u>(261,694)</u>	<u>(53,659)</u>	<u>(23,350)</u>	<u>2,604,534</u>
Total of funds	<u>5,861,241</u>	<u>4,438,450</u>	<u>(4,665,152)</u>	<u>-</u>	<u>(125,750)</u>	<u>5,508,789</u>

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****20. Statement of funds (continued)****Statement of funds - prior year**

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
Unrestricted funds						
Charitable company and subsidiary	3,392,508	3,342,456	(3,716,954)	56,205	216,207	3,290,422
Development fund	105,644	-	(90,224)	-	-	15,420
	<u>3,498,152</u>	<u>3,342,456</u>	<u>(3,807,178)</u>	<u>56,205</u>	<u>216,207</u>	<u>3,305,842</u>
Restricted funds						
Building Fund	1,456,787	-	(140,183)	-	-	1,316,604
Mellon Fund	634,294	6,313	(4,182)	(36,205)	87,684	687,904
New Barn Fund	98,558	-	(39,439)	-	-	59,119
Rory MacDonald and James Harris Fund	149,508	7,729	(490)	(20,000)	16,366	153,113
Moller Wing conversion	37,720	-	(2,453)	-	-	35,267
Simulator Fund	9,600	-	(7,200)	-	-	2,400
Gym conversion	120,000	-	-	-	-	120,000
Recreation room	78,700	-	-	-	-	78,700
Front loader (Godolphin)	8,787	-	(2,556)	-	-	6,231
The Newmarket Pony Academy	600	108,750	(28,289)	-	-	81,061
IT suite	-	15,000	-	-	-	15,000
	<u>2,594,554</u>	<u>137,792</u>	<u>(224,792)</u>	<u>(56,205)</u>	<u>104,050</u>	<u>2,555,399</u>
Total of funds	<u>6,092,706</u>	<u>3,480,248</u>	<u>(4,031,970)</u>	<u>-</u>	<u>320,257</u>	<u>5,861,241</u>

BRS EDUCATION LIMITED

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

21. Statement of funds - notes

The Development Fund was created as a designated fund to provide for future capital expenditure on the facilities to enable the School to carry out training in line with industry demand.

The Building Fund comprises net incoming resources for which the uses are expressly restricted to the construction and development of the facilities at The British Racing School in pursuance of the charity's stated objectives.

The Mellon Fund comprises an initial donation of £349,005 in 2001 and a further donation of £49,162 in 2002 from the Executors of the Estate of the late Paul Mellon and its use is restricted to expenditure on the welfare of the horses at The British Racing School. The maximum amount which may be drawn down annually for this purpose is limited to 5% of the fair market value of the assets of the fund. The income of the fund is required to accumulate and add to the principal, subject to amounts spent within the prescribed use, as described above.

The New Barn Fund comprises net incoming resources for which the uses are expressly restricted to the construction and development of the new American barn at The British Racing School in pursuance of the charity's stated objectives.

The James Harris Legacy was received in 2016 and was restricted to the provision of support to young people wishing to access the training provided by The British Racing School. The Rory MacDonald Memorial Fund was created as a result of a fundraising campaign in 2017, in memory of Rory MacDonald, who served as the Chief Executive of The British Racing School from 1992 - 2014. The Rory MacDonald and James Harris Fund has been invested with Cazenove and is managed collectively.

The fund will be held to provide funding for young people wishing to attend courses at The British Racing School for whom there is no Government support. The funds will also be used to market the courses offered by The British Racing School to potential trainees from groups for whom there is limited Government funding, but who could benefit from the training provided and go on to successful careers in the racing industry.

The Moller Wing conversion comprises a donation of £45,000 in 2019 which is restricted towards the conversion of the Moller Wing at the British Racing School, the expenditure relates to depreciation.

The Simulator Fund relates to income received during 2019 towards the purchase of a new racing simulator. The simulator was purchased in 2019 and expenditure relates to depreciation.

The Gym Conversion fund relates to a donation in the year which is restricted towards the conversion of the gym to additional accommodation, this opportunity is a result of the access The British Racing School now has to the Injured Jockeys Fund gym in Peter O'Sullivan House. The project is on hold because of the COVID-19 pandemic.

The Recreation Room fund relates to a donation in the year which is restricted towards the construction of a recreation room to serve the additional accommodation which will result from the gym conversion. The project is on hold because of the COVID-19 pandemic.

The Front Loader fund relates to a donation in the year which was used to fund the purchase of a front loader, the expenditure relates to the depreciation.

Transfers from the Mellon Fund and the Rory MacDonald and James Harris Fund relate to the annual draw downs in line with the restrictions of the funds.

The Newmarket Pony Academy (NPA) works with local primary schools to provide one-week programmes that introduce the children to horses and ponies and the NPA Fund relates to donations made through the year towards the project, donations received in the year and subsequently will allow the project to run for an initial three-year period, during which time we will work to create a sustainable funding model for the project over the long term.

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

IT suite - a donation was received in the year to fund the redevelopment of our IT suite, including upgrading the computers and purchasing new classroom furniture, the redevelopment has now been completed.

The American barn project has been funded by the John Pearce Foundation during the year to fund the refurbishment of the American Barn.

The restricted fund from the Childwick Trust during the year is to provide funding for a post of a fundraiser within the charity in order to generate further fundraising income.

The electric car project has been funded by the Gerald Leigh Charitable Trust to fund an electric car and charging point onsite.

22. Summary of funds**Summary of funds - current year**

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2022 £
General funds	3,305,842	4,050,612	(4,403,458)	53,659	(102,400)	2,904,255
Restricted funds	2,555,399	387,838	(261,694)	(53,659)	(23,350)	2,604,534
	<u>5,861,241</u>	<u>4,438,450</u>	<u>(4,665,152)</u>	<u>-</u>	<u>(125,750)</u>	<u>5,508,789</u>

Summary of funds - prior year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
General funds	3,498,152	3,342,456	(3,807,178)	56,205	216,207	3,305,842
Restricted funds	2,594,554	137,792	(224,792)	(56,205)	104,050	2,555,399
	<u>6,092,706</u>	<u>3,480,248</u>	<u>(4,031,970)</u>	<u>-</u>	<u>320,257</u>	<u>5,861,241</u>

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****23. Analysis of net assets between funds****Analysis of net assets between funds - current year**

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,533,257	1,451,402	2,984,659
Fixed asset investments	1,609,616	773,036	2,382,652
Current assets	436,887	380,096	816,983
Creditors due within one year	(675,505)	-	(675,505)
Total	2,904,255	2,604,534	5,508,789

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,721,931	1,413,390	3,135,321
Fixed asset investments	1,866,368	841,017	2,707,385
Current assets	350,583	300,992	651,575
Creditors due within one year	(633,040)	-	(633,040)
Total	3,305,842	2,555,399	5,861,241

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****24. Reconciliation of net movement in funds to net cash flow from operating activities**

	Group 2022 £	Group 2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(352,452)	(231,465)
Adjustments for:		
Depreciation charges	481,436	463,411
(Gains)/losses on investments	125,750	(320,257)
Investment income	(39,941)	(40,469)
Profit on the sale of fixed assets	(11,800)	(602)
Decrease in stocks	9,262	1,331
Increase in debtors	(100,494)	(114,131)
Increase in creditors	42,465	225,055
Net cash provided by/(used in) operating activities	154,226	(17,127)

25. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	163,380	158,260
Cash for investment	235,995	166,939
Total cash and cash equivalents	399,375	325,199

26. Analysis of changes in net debt

	At 1 August 2021 £	Cash flows £	At 31 July 2022 £
Cash at bank and in hand	158,260	5,120	163,380
Bank overdrafts repayable on demand	(1,459)	-	(1,459)
Liquid investments	166,939	69,056	235,995
	323,740	74,176	397,916

27. Pension commitments

During the year ended 31 March 2007 the Charity set up a Group Personal Pension Scheme for those of its employees who wished to participate. The pension cost charge for the year represents contributions

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****27. Pension commitments (continued)**

payable by the Charity into this pension scheme.

The Charity was required to comply with the automatic enrolment workplace pensions regulations from 1 August 2015. The Charity has amended the Group Personal Pension Scheme to ensure that it was compliant with the workplace pension regulations.

During the year pension contributions charged to the Statement of Financial Activities amount to £184,383 (2021: £153,357). At the balance sheet date, outstanding contributions amounted to £32,382 (2021: £26,356) and are included in creditors.

28. Operating lease commitments

At 31 July 2022 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	-	3,189	-	3,189

BRS EDUCATION LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022****29. Related party transactions**

Other than the transactions disclosed in note 13, the Trustees consider that no other related party transactions occurred during the year.

30. Controlling party

BRS Education Limited is controlled by its Board of Trustees. Accordingly, there is no single individual that can, or does, exert control over the Charity.

31. Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Class of shares	Holding	Included in consolidation
BRS Training Limited	03501079	Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
BRS Training Limited	145,599	(121,486)	24,113	149,266