

THE NATIONAL HORSERACING MUSEUM

England & Wales · Charity number 283656

Details

Status Registered

Legal form Charitable company

Company number [01592031](#)

Registered 1987-11-19

Register [View on the Charity Commission register](#)

Contact

Address National Horse Racing Museum
Palace House
Palace Street
Newmarket
CB8 8EP

Phone 01638667314

Email accounts@nhrm.co.uk

Website www.nhrm.co.uk

Activities

Objects: The Museum's objects are restricted specifically, only for the public benefit to promote public interest in the preservation of all articles as are of historical or scientific interest in connection with racehorses and persons and places connected with racehorses and the art of other sports generally, principally through the running of the National Heritage Centre for Horseracing and Sporting Art at Palace House, and to preserve and care for the heritage and buildings making up the Palace House complex and in furtherance of this object.

Activities: To promote public interest in the preservation of all articles as are of historical or scientific interest in connection with racehorses and persons connected with racehorses. To enlarge the Museum's network of partnerships within the education, racing industry and museums sector to mutual benefit.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Cambridgeshire
- Suffolk

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,022,162	£1,455,019	£17,704,514	26
2023-12-31	£1,157,807	£1,464,208	£17,862,376	27
2022-12-31	£1,656,096	£1,610,702	£18,057,847	21
2021-12-31	£1,811,969	£1,444,715	£18,288,306	21
2020-12-31	£1,908,274	£1,787,050	£17,487,716	37

Trustees

Name	Role	Appointed
Hon Frances Caroline Stanley	Chair	2017-09-01
Adam Signy		2022-04-28
Annette Julie Green		2019-11-05
David Allan Thorpe		2024-11-10
Dr Hamid Amouzad Khalili		2025-06-17
John Henry Chatfeild-Roberts		2019-01-15
Johnny Eddis		2026-02-09
Jonathan Benson		2021-04-29
Michael Sutherill		2024-08-01
Nicholas Edward Francis Luck		2020-02-05
PAUL TAIANO		2020-02-05

Accounts

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1
Trustees' report	2 - 8
Independent auditors' report on the financial statements	9 - 12
Consolidated statement of financial activities	13 - 14
Consolidated balance sheet	15 - 16
Company balance sheet	17 - 18
Consolidated statement of cash flows	19
Notes to the financial statements	20 - 49

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2024**

Trustees	Hon. Frances Caroline Burke Stanley, Chair John Henry Chatfeild-Roberts Brian Peter Finch Annette Julie Green Paul Richard Lindsell (resigned 16 January 2025) Nicholas Edward Francis Luck Paul George Taiano Lady Jane Grosvenor (resigned 13 June 2024) Jonathan Benson Adam Signy Paul Ogburn Michael Sutherill (appointed 1 August 2024) David Allan Thorpe (appointed 10 November 2024)
Company registered number	01592031
Charity registered number	283656
Registered office	Palace House Palace Street Newmarket Suffolk CB8 8EP
Independent auditors	Larking Gowen LLP Chartered Accountants 1 Claydon Business Park Great Blakenham Ipswich IP6 0NL
Investment managers	Evelyn Partners 25 Moorgate London EC2R 6AY

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees present their Annual report together with the audited financial statements of the Company for the year 1 January 2024 to 31 December 2024. 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).

Since the Group and the Company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

To maintain the standards expected of a national institution by ensuring excellence in collections management, a balance in the displays between period, themes and types of racing, sporting art, and between loans and acquisitions.

To maintain and improve the financial health of the organisation via a balanced range of income sources.

To provide a lively and varied annual programme of special exhibitions and displays to drive footfall and to address topics of interest and relevance unrepresented by the permanent displays.

To increase public access, attracting a broad audience to our collections and exhibitions.

To develop new audiences, to strengthen links with the local community, with a particular focus on young people.

To continue work to the permanent galleries not installed as part of the first phase of building the museum.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Activities undertaken to achieve objectives

The new Management Partnership with Discover Newmarket is proving to work well. Each department is working collectively to ensure that the Museums objectives and visions are met.

The main exhibition during the year was ICONS which ran from May-October. The exhibition featured photographic works from the late John Reardon and was a collection of contemporary pieces from Thoroughbreds to Michelin Star Chefs.

Much work has been done behind the scenes in regard to the gift shop - these include new shop re-fits and the introduction of two new product lines which have sold well.

The new program of commercial events has been successful in attracting visitors and raising awareness of the museum as a whole. 2024 saw the launch of two new annual events – Easter Pawty (Dog Show) and a Classic Car Show. Both saw a new demographic of visitor – from dog lovers to keen motorists whilst still relevant to the Museum's core themes. A lecture to mark the 250th anniversary of George Stubbs' birth plus a specialist Horse Whisper demonstration with a renowned expert in the field brought in further income. Confirming that there is an audience and support for specialist events.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

With the departure of Stellar Catering from The Bakery, Dandelion Catering, who also occupy The Tack Room, have taken on this space. They will be offering similar takeaway style refreshments and light lunches and sweet treats to suit our visitors.

As a new source of rental income, it was decided to rent out the Mews Offices, which will increase rental income by £14,000 per annum. To enable this the residential flat has been converted into office space, leaving the Mews vacant for tenants to move into in the early part of 2025.

c. Volunteers

The Trustees and staff are extremely grateful to all the volunteers that contribute enormously to the Museum. The programme is made up of a variety of non-traditional volunteering backgrounds, their presence on site makes a huge difference to both visitors and staff and provide an increasingly important resource in supporting the curatorial team. This year the team was expanded with the introduction of maintenance volunteers which has greatly supported the upkeep and appearance of the site.

d. Main activities undertaken to further the Company's purposes for the public benefit

The public benefits principally from the preservation and conservation of this nationally important collection of racing works of art, social history objects, archival documents, and photographs. Members of the public are able to view the exhibitions in person and increasingly, online and to use the research services of the Museum.

The Museum also provides wider social benefit through the provision of greatly improved facilities and services for families and young people and through much improved educational facilities and learning programmes. The organisation works hard to engage the local community beyond the core racing audience. A community outreach programme has integrated the National Horseracing Museum into the life of Newmarket and its diverse communities, as well as those of the surrounding area.

To fulfil this, we have an extensive programme put together by the Creative Programme Manager which during the year under review included activities around Black History Month, Racing with Pride, Women in Racing, Suffolk Holiday Activity Programme, activities for older people and Sleep Clinics, Gerlad Leigh Youth Guides programme and Duke of Edinburgh Awards volunteering for young people and the second year of our Young Writers Awards which is now a national competition. Within formal learning the museum welcomed 66 school visits which totalled 1271 children and through outreach activities 1064 children. Informal learning included sessions such as Little Horseshoes, which is specific to children under the age of 4 and had 259 attendees. A Taste Ramadan event in partnership with the Newmarket Islamic Centre welcomed 70 participants. Children's Saturday Art Club sessions ran with 31 participants for six months with a celebration and display in the atrium at the end of the programme for family and friends. Our annual programme Under Starters Orders had 412 children take part spread over 14 sessions in the summer term of 2024. Our Holiday Activities programme which runs every school holiday was well attended attracting 945 participants. These activities were inspired by the special exhibition ICONS and included everything from printing using gelli plates, making cyanotype prints, designing equine themed t-shirts and bags, making pasta and using clay and spray paint stencils. A total of 203 young people from the Newmarket Academy took part in Dubai Future Champions workshops and GCSE PE and Racing to School Beacon Sports Science Revision sessions.

Achievements and performance

a. Main achievements of the Company

Carried out a shop re-fit to improve shop merchandising and introduced new lines that better reflect the visitors' expectations.

Reviewed all service contracts and implemented health and safety training and procedures to ensure full compliance across the whole site.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

Restructured yard team and brought in new regime which concentrates on more interaction with the equine residents which is proving very popular.

Carried out extensive research and consultation to look at ways to improve the visitor experience and increase visitor numbers and dwell time.

b. Key performance indicators

Increase in commercial income

Increase number of educational/community engagements

Review of all contracts across the board to assess need and ensure competitiveness. This exercise saw the cessation of several agreements which resulted in a budget savings.

c. Review of activities

After an exceptionally busy year in 2023, the focus for 2024 has been about building a new team and implementing a better working environment. All staff underwent appraisals, the first time in three years, and the subsequent agreed objectives and training and development plans can now feed into the development of a new Business Plan.

d. Factors relevant to achieve objectives

Extensive research has been carried out to look at ways in which the site could be improved by the creation of new interactive and immersive galleries and exhibitions as well as improvements in wayfinding. The introduction of new stories and experiences along with how such a transformation could be funded have been considered.

Further research is required, a full Audience Development Report is being considered. This would help to better understand the Museum's current and anticipated profile visitor to ensure that whatever changes are implemented will be successful in achieving the required increase in numbers. This review will also look extensively at admission prices across the board including annual passes and gift aid.

This work will lead to a better understanding of how the museum needs to operate in order to work towards being financially independent and raising its profile as a must visit attraction.

e. Fundraising activities and income generation

The Museum received the second amount of £25,000 from the Cadogan Charity that was secured in 2022 by a Private Fundraiser.

Christopher Tregoning, continues to head up our fundraising committee, secured several donations during the year. Patrick Dalby Charitable Trust, Elizabeth Jackson, Rockcliffe and the Harris Foundation being some examples. These donations are to support the ongoing plans to continue the work on the permanent galleries, ensuring the collections are shown, exhibited and maintained to the highest standard.

Trusts such as HDH Wills and the Wilmington Trust have both awarded grants specific to Education projects. The Wilmington Trust awarded £5,000 to run a Young Writers Award to engage with young people in the local community. HDH Wills have awarded £3,500 to ensure that the workshops provided to the community and schools have enough materials and supplies. Examples of these workshops include Creative Community Art Club, Little Horseshoes and School Holiday activities that are all free to attend.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

f. Investment policy and performance

Management of the Charitable Company's investment portfolio is delegated by the Trustees to Evelyn Partners, who advise the Trustees on investment performance. The investment advisors are given the freedom they need to achieve the best results practicable without specific constraints on such matters as social, ethical, or environmental considerations.

Financial review

a. Going concern

The main uncertainty facing the museum is the long-term sustainability as a museum and visitor attraction. There has been a slow decline in admissions which has meant the museum is more dependent on donations, grants and other income streams. With this in mind, a new business plan is being developed to digitally transform the visitor experience and re-launch as a must-visit attraction. Thus, appealing to new audiences and driving visitor numbers and income.

New entertainment concepts are being introduced in 2025, both appealing to local businesses as Team building evenings or groups of friends. The first being a racing themed Escape Room and the second being Race Nights that will be held bi-annually at the Museum.

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

In line with guidance published by the Charities Commission, the Trustees are concerned to establish an adequate level of unrestricted reserves to enable the organisation to carry out its charitable objectives and to safeguard its activities in the event of unplanned financial challenges. The Trustees' policy is to build the endowment fund to such a level that the income from it will be sufficient to cover the core operating costs. The Trustees' policy regarding free reserves (funds not tied to fixed assets, designated, or restricted funds) is to maintain sufficient resources to meet its obligations as they fall due. Mindful of the need to protect the organisation against future financial challenges through either unplanned operational costs, loss of grant income or unexpected reductions in commercial income.

The free reserves target level of £350,000 equates to approximately four months of operational costs based on the annual operating cost budget. The shortfall on target is £246,128 and the Trustees are working on a new business plan with the aim of building up the free reserves.

At the year end, the Group's total funds amounted £17,704,514 (2023: £17,931,838) of which £161,941 (2023: £342,657) were restricted funds and £4,280,134 (2023: £4,074,601) were endowment funds. The Group's unrestricted reserves were £13,262,439 (2023: £13,514,580) including £13,075,525 (2023: £13,223,263) of designated funds. Free reserves were £103,872 (2023: £291,317).

Structure, governance and management

a. Constitution

The National Horseracing Museum is registered as a charitable company limited by guarantee and was set up by a Trust deed, for the public benefit to promote public interest in the preservation of all activities which are of historical or scientific interest in connection with racehorses and persons and places connected with racehorses and the art of other sports generally, principally through the running of the National Heritage Centre for

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

Horseracing and Sporting Art at Palace House, and to preserve and care for the heritage and buildings making up the Palace House complex and in furtherance of this object.

b. Methods of appointment or election of Trustees

The management of the Group and the Company is the responsibility of the Trustees who are elected and coopted under the terms of the Trust deed.

In the Museum's Memorandum and Articles it is agreed that:

- Trustee terms be limited to three years in the first instance, renewable (if both parties are in agreement) for a further three years.
- After six years' service Trustee terms can, by mutual consent of the Chair and the respective Trustee, be renewable annually, to a maximum of nine years' service in total.
- The Chair reviews the membership of those Trustees who have served more than six years, with a view to effecting an orderly transition from existing to new members.
- The Chair and Board will invite suggestions for new Trustees who can enhance the Board's diversity in terms of age, professional expertise, and socio-economic background.
- The Museum will advertise publicly for new Trustees.
- The Museum will encourage applications for the Board by qualified candidates from visible and invisible minority group members, persons with disabilities, persons across the spectrum of sexual and gender identities, and others with the skill and knowledge to engage with diverse communities.
- The Board's size to be no less than 10 and no more than 14 Trustees.

The Trustees will be asked (i) to ensure that the Museum runs smoothly and effectively by supervising and monitoring the performance of the Museum's operation in accordance with the sector's standards of good practice and the principles of transparency, diversity, equality, and fiscal sustainability and (ii) to assist the Executive to identify, cultivate and harness potential sources of external funding for core projects.

The appointment of Trustees is by proposal according to the skills requirements of the Charitable Company and requires a unanimous positive vote. The recruitment process focussing on the need for all Trustees to come from a variety of backgrounds, personal & experiential; ideally bringing experience in Finance; Higher Education; Museums (Policy/Operations and Collections); Events/Catering; Marketing and the Voluntary Sector.

Representation at Board meetings includes members of the Local Authorities (specifically one observer/attendee each from Suffolk County Council and West Suffolk District Council). To date, there has never been the need to remove a Trustee from office.

c. Organisational structure and decision-making policies

The Trustees determine the general policy of the Charitable Company and are elected in accordance with the Memorandum and Articles of Association. The day-to-day management of The National Horseracing Museum (the Museum) is delegated to the Museum senior staff and Discover Newmarket (collectively referred to as the Executive). The National Horseracing Museum is the legal entity responsible for running the Museum at Palace House, Newmarket.

The Trustees delegate authority on all strategic and day-to-day matters to the Executive. However, the following reserved matters require Trustee approval:

- The annual budget
- The annual auditors' report
- Capital project expenditure above £100,000
- The annual, five-year Forward Plan, and any subsequent variants of this
- The annually reviewed Risk Register and the associated Risk Management Plan
- The Museum's operational policies
- Changes in the terms of governance

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

- Staff ex gratia and bonus payments
- Changes to partnership agreements with the site's associated charities.

While new Trustees will be asked to respect the Executive's responsibility for the operation of the Museum, Trustees may also be asked to mentor a senior member of the Museum staff working in an area which corresponds to their own professional expertise.

d. Policies adopted for the induction and training of Trustees

Upon appointment, Trustees are given advice outlining their role and responsibilities to the Charitable Company and its structure and governance. Provision is made for external training of Trustees as necessary.

e. Pay policy for key management personnel

The Trustees consider the senior staff and Discover Newmarket, comprise the key management personnel in charge of directing and controlling, running, and operating the Charitable Company on a day-to-day basis. All Trustees give of their time freely, and no Trustee received remuneration in the year.

The pay of senior staff is reviewed annually, and The Trustees benchmark pay against levels in other provincial museums of a similar size. We follow Museums Association "Pay in Museums" guidance to ensure fair pay for all. Executive salaries are set by recommendation of the Audit & Performance Committee to the Chair of the Board.

f. Related party relationships

The Charitable Company is a member of Discover Newmarket, a community interest company (registration number 09362242).

The National Horseracing Museum holds 100% of the issued share capital of Palace House Trading Limited, a company registered in England and Wales.

With the consent of the Charitable Company, Trustees indemnity insurance has been purchased as a part of the insurance cover of the Charitable Company as a whole and is not separately identified within total insurance costs of £27,560 (2023: £30,367). It is understood and agreed that the policy is extended to include Trustees' indemnity for a limit of indemnity up to GBP 250,000 in the annual aggregate. The insurance covers claims made against any Trustees in the event of their negligence in any aspect of the administration of the Charity including all costs and expenses.

Plans for future periods

The development of a new collaboration with the University of Manchester which includes a part-funded, three-year graduate, with potential further research and grant support, provides the museum with a realistic means to make significant improvements to re-develop the offer and better meet visitor expectations and stabilise the business's financial position.

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).

The Charitable Company has no share capital and is limited by guarantee. Each Trustee is a member of the Charitable Company and is a guarantor who undertakes to contribute to the assets of the Charitable Company,

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

in the event of it being wound up, such amount as may be required, not exceeding £1.

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 judgments 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 auditors

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 auditors are 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 auditors are aware of that information.

Auditors

The auditors, Larking Gowen LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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



.....
Hon. Frances Caroline Stanley
(Chair of Trustees)

Date: 18th August 2025.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL HORSERACING MUSEUM

Opinion

We have audited the financial statements of The National Horseracing Museum (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2024 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 December 2024 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 Auditors' 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.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL HORSERACING MUSEUM (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL HORSERACING MUSEUM (CONTINUED)

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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- Enquiries made with management about any known or suspected instances of non-compliance with laws and regulations, accidents in the workplace and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing board minutes and any relevant correspondence with external authorities;
- Reviewing legal and professional costs for indications of litigation;
- Challenging assumptions and judgements made by management in their significant estimates, in particular in relation to investment property valuations, depreciation calculations and stock valuations; and
- Auditing risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE NATIONAL HORSERACING
MUSEUM (CONTINUED)**

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 Auditors' report.

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Larking Gowen LLP

Giles Kerkham (Senior statutory auditor)

for and on behalf of

Larking Gowen LLP

Chartered Accountants
Statutory Auditors

1 Claydon Business Park

Great Blakenham

Ipswich

IP6 0NL

Date: 20 August 2025

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2024**

		Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	As restated Total funds 2023 £
	Note					
Income and endowments from:						
Donations and legacies	4	325,973	177,274	-	503,247	605,003
Charitable activities	5	163,516	-	-	163,516	203,145
Other trading activities	6	191,016	-	-	191,016	205,235
Investments	7	164,383	-	-	164,383	144,424
Total income and endowments		844,888	177,274	-	1,022,162	1,157,807
Expenditure on:						
Raising funds	8	199,622	-	-	199,622	172,583
Charitable activities	9	1,031,914	223,483	-	1,255,397	1,222,163
Total expenditure		1,231,536	223,483	-	1,455,019	1,394,746
Net expenditure before net gains on investments		(386,648)	(46,209)	-	(432,857)	(236,939)
Net gains on investments		-	-	205,533	205,533	148,430
Net (expenditure)/income		(386,648)	(46,209)	205,533	(227,324)	(88,509)
Transfers between funds	20	134,507	(134,507)	-	-	-
Net movement in funds		(252,141)	(180,716)	205,533	(227,324)	(88,509)

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2024

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2023</i> <i>£</i>
Note					
Reconciliation of funds:					
Total funds brought forward	13,514,580	342,657	4,074,601	17,931,838	18,020,347
Net movement in funds	(252,141)	(180,716)	205,533	(227,324)	(88,509)
Total funds carried forward	<u><u>13,262,439</u></u>	<u><u>161,941</u></u>	<u><u>4,280,134</u></u>	<u><u>17,704,514</u></u>	<u><u>17,931,838</u></u>

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 20 to 49 form part of these financial statements.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)
REGISTERED NUMBER: 01592031

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £	As restated 2023 £
Fixed assets			
Tangible assets	13	12,784,132	12,944,596
Heritage assets	14	291,393	278,667
Investments	15	4,363,176	4,157,643
		<u>17,438,701</u>	<u>17,380,906</u>
Current assets			
Stocks	16	47,096	32,728
Debtors	17	130,819	95,663
Cash at bank and in hand		411,159	633,910
		<u>589,074</u>	<u>762,301</u>
Creditors: amounts falling due within one year	18	(323,261)	(211,369)
Net current assets		<u>265,813</u>	<u>550,932</u>
Total assets less current liabilities		<u>17,704,514</u>	<u>17,931,838</u>
Total net assets		<u><u>17,704,514</u></u>	<u><u>17,931,838</u></u>
Charity funds			
Endowment funds	20	4,280,134	4,074,601
Restricted funds	20	161,941	342,657
Unrestricted funds			
Designated Funds	20	13,075,525	13,223,263
General funds	20	186,914	291,317
Total unrestricted funds	20	<u>13,262,439</u>	<u>13,514,580</u>
Total funds		<u><u>17,704,514</u></u>	<u><u>17,931,838</u></u>

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)
REGISTERED NUMBER: 01592031

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2024

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



.....
Hon. Frances Caroline Burke Stanley
(Chair of Trustees)

Date: 18th August 2025.

The notes on pages 20 to 49 form part of these financial statements.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)
REGISTERED NUMBER: 01592031

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2024

	Note	2024 £	As restated 2023 £
Fixed assets			
Tangible assets	13	12,773,738	12,930,570
Heritage assets	14	291,393	278,667
Investments	15	4,363,177	4,157,644
		<u>17,428,308</u>	<u>17,366,881</u>
Current assets			
Debtors	17	185,039	117,283
Cash at bank and in hand		392,610	533,910
		<u>577,649</u>	<u>651,193</u>
Creditors: amounts falling due within one year	18	(301,442)	(183,066)
Net current assets		<u>276,207</u>	<u>468,127</u>
Total assets less current liabilities		<u>17,704,515</u>	<u>17,835,008</u>
Total net assets		<u><u>17,704,515</u></u>	<u><u>17,835,008</u></u>
Charity funds			
Endowment funds	20	4,280,134	4,074,601
Restricted funds	20	161,941	342,657
Unrestricted funds			
Designated funds	20	13,065,131	13,209,237
General funds	20	197,309	208,513
		<u>13,262,440</u>	<u>13,417,750</u>
Total funds		<u><u>17,704,515</u></u>	<u><u>17,835,008</u></u>

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)
REGISTERED NUMBER: 01592031

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2024

The Company's net movement in funds for the year was £(130,493) (*As restated 2023 - £(89,976)*).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



.....
Hon. Frances Caroline Burke Stanley
(Chair of Trustees)

Date: 18th August 2025.

The notes on pages 20 to 49 form part of these financial statements.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Cash flows from operating activities		
Net cash used in operating activities	(435,868)	(193,096)
Cash flows from investing activities		
Investment income	164,383	144,424
Purchase of intangible fixed assets	(8,540)	(15,831)
Purchase of heritage assets	(12,726)	-
New loans	70,000	-
Net cash provided by investing activities	213,117	128,593
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents within the year	(222,751)	(64,503)
Cash and cash equivalents at the beginning of the year	633,910	698,413
Cash and cash equivalents at the end of the year	411,159	633,910

The notes on pages 20 to 49 form part of these financial statements

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. General information

The National Horseracing Museum is a registered company, limited by guarantee, and a charity registered with the Charity Commission. The National Horseracing Museum is incorporated in England and Wales, company registration number 01592031 and charity registration number 283656. The registered office is Palace House, Palace Street, Newmarket, Suffolk, CB8 8EP.

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.

The National Horseracing Museum is a Charitable Company limited by guarantee, incorporated in England and Wales which 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 notes.

The financial statements are prepared in sterling, which is the functional currency of the Charitable Company. Monetary amounts in these financial statements are rounded to the nearest £.

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 Basis of consolidation

The consolidated financial statements incorporate the accounts of the Charitable Company and those of its trading subsidiary, Palace House Trading Ltd, for the year ended 31 December 2024 on a line-by-line basis. A Separate Statement of Financial Activity (SOFA) is not presented because the Charitable Company has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

2.3 Going concern

The group finances its day-to-day operations primarily from grants and donations. The Trustees have prepared forecasts and projections through to 31 December 2026. After reviewing these forecasts and projections, with the back-up of an expendable endowment, which can be utilised to meet any shortfall in forecast income, at the time of approving these financial statements, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for at least the next 12 months. The Trustees therefore consider it appropriate to continue to adopt the going concern basis in preparing the group's financial statements.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.4 Income

All grants, donations and income from charitable activities are recognised when the Charitable Company is legally entitled to the income and the amount can be quantified with reasonable probability. Income is only deferred when admission fees or other income are received in advance.

Income from other trading activities is recognised as earned when the related goods and services are provided.

Investment income is recognised on a receivable basis.

2.5 Volunteers and donated services facilities

The value of services provided by volunteers is not incorporated in these financial statements. Their valuable contribution is recognised in the Report of the Trustees.

There are no donated services or facilities to recognise in these financial statements, if services are provided to the Charitable Company as a donation that would normally be purchased from suppliers, these will be included in the financial statements at an estimate of the value of the contribution to the Charitable Company.

2.6 Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods and services when supplied or when a constructive obligation arises which results in the payment being unavoidable.

- Costs of raising funds are those costs incurred in running the Museum Café, Gift Shop, Tours and Fundraising Events and, in these consolidated accounts, include the costs incurred by the trading subsidiary.
- Charitable activities relate to the costs of running of the Museum.
- Support costs have been allocated to the relevant activity cost categories on a basis consistent with the use of those resources. This has been via an estimated percentage by the Trustees where it is not practical to identify actual costs.

2.7 Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to that category. The Charitable Company is partially culturally exempt. and irrecoverable VAT is charged against the category of resources expended for which it was incurred.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.8 Museum collections heritage assets

The collection consists of historic assets associated with horseracing. The value shown in the accounts is that of purchases added to the collection over a period of years. No value has been attributed to donated items added to the collection prior to 2005.

The Trustees consider that the historic nature of the collections, which is displayed in the National Horseracing Museum in furtherance of the Charitable Company's objects, is such that it is not appropriate to place a value on the entire collection, as the significant cost involved would be onerous compared with the additional benefit derived by the users of the financial statements.

No provision is made for diminution in value of the Museum collections, as in the opinion of the Trustees its value is maintained.

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £350 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.

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:

Long-term leasehold property	- over 100 years
Motor vehicles	- over 5 years
Fixtures and fittings	- over 5 years

2.10 Investments

Listed fixed asset investments are included in the balance sheet at their bid valuation, as advised by the Investment Managers, adjusted for impairment in value.

2.11 Investment in subsidiary

In the separate accounts of the Charitable Company, the interest in the subsidiary is initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

The interest in the subsidiary is assessed for impairment at each reporting date. Any impairment loss or reversal of impairment losses are recognised immediately in the net movement in funds.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.12 Stocks

Stock, being goods held for resale, is stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in first out basis. Net realisable value is based on estimated selling price.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price is recognised as an impairment loss in profit or loss.

2.13 Operating leases

Rental expenditure applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

2.14 Financial instruments

Financial assets and financial liabilities are recognised when the Charitable Company becomes a party to the contractual provisions of the instrument.

Financial assets

Basic financial assets including trade and other receivables are initially measured at transaction price (including transaction costs) and are subsequently carried at amortised cost using the effective interest method.

Financial instruments at fair value

Investments

Investments are equity investments over which the Charitable Company has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred. Investments are measured at fair value through profit or loss or cost less impairment if fair value cannot be measured reliably.

The fair value of investments quoted on a recognised stock exchange is the quoted bid price.

Financial liabilities

Basic financial liabilities, including trade and other payables are recognised at transaction price. Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities where payment is due within one year or less. If not, they are presented as creditors due after more than one year. Trade and other payables are subsequently measured at amortised cost.

2.15 Pensions

The Charitable Company contributes to the personal pension plans of certain employees. The cost is charged to the income and expenditure account as contributions fall due.

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Accounting policies (continued)

2.16 Taxation

The Charitable Company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

2.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2.18 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.

2.19 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.

2.20 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.

2.21 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

2. Accounting policies (continued)

2.22 Fund accounting

The Charitable Company maintains various types of funds as follows:

Endowment funds

The endowment fund represents monies raised to establish a permanent and expendable endowment fund. The permanent endowment fund will continue in perpetuity and only investment income from the endowment fund may be drawn upon for transfer to the General Fund as set out in note 19. The expendable endowment fund relates to funds received to support any shortfall in income or exceptional costs.

Restricted funds

The restricted funds represent monies received to fund specific activities and to purchase certain items for the collection as set out in note 19 of the financial statements.

Unrestricted funds

General unrestricted funds represent monies which are expendable at the discretion of the Trustees in the furtherance of the objects of the Charitable Company. Such funds may be held in order to finance both working capital and capital investment.

Designated funds

The designated funds represent amounts which have been put aside out of unrestricted funds at the discretion of the Trustees. The fund reflects the unrestricted fixed assets.

2.23 Legal status of the Charitable Company

The Charitable Company has no share capital but is limited by guarantee. Every member of the Charitable Company is a guarantor and undertakes to contribute such amounts as may be required to the assets of the Charitable Company in the event of it being wound up. Each guarantor's liability is limited to £1.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

3. Critical accounting estimates and areas of judgment

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 circumstance.

Critical accounting estimates and assumptions

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The carrying value of the Museum's collection of heritage assets is held at cost and not depreciated. In concluding that these assets are not impaired management makes estimates as to the current value of the assets and their value in use.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Charitable Company as lessee.

The Charitable Company accounts for depreciation on leasehold property in accordance with FRS 102. Properties are depreciated over their estimated useful life, taking into account any residual value. Judgements are made on the residual values and estimated useful live of the assets which are regularly reviewed. The Trustees have taken the decision to hold the leasehold property in a separate designated fixed asset fund.

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Donations	184,712	-	184,712	190,404
Grants	141,261	177,274	318,535	414,599
	<u>325,973</u>	<u>177,274</u>	<u>503,247</u>	<u>605,003</u>
<i>Total 2023</i>	<u>324,944</u>	<u>280,059</u>	<u>605,003</u>	

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

5. Income from charitable activities

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Admissions	142,544	142,544	198,292
Other income	20,972	20,972	4,853
	<u>163,516</u>	<u>163,516</u>	<u>203,145</u>
<i>Total 2023</i>	<u>203,145</u>	<u>203,145</u>	

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Fundraising activities	4,458	4,458	6,064
<i>Total 2023</i>	<u>6,064</u>	<u>6,064</u>	

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

6. Income from other trading activities (continued)

Income from non charitable trading activities

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Sales	155,014	155,014	176,925
Rent receivable	31,348	31,348	22,200
Other income	196	196	46
	<u>186,558</u>	<u>186,558</u>	<u>199,171</u>
<i>Total 2023</i>	<u>199,171</u>	<u>199,171</u>	

7. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Income from listed investments	147,476	147,476	143,837
Bank deposits	16,907	16,907	587
	<u>164,383</u>	<u>164,383</u>	<u>144,424</u>

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

8. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Fundraising costs	196,678	196,678	171,001

Other trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Administration expenses	2,305	2,305	1,200
Administration staff costs	639	639	382
	<u>2,944</u>	<u>2,944</u>	<u>1,582</u>

9. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	<i>Total funds 2023 £</i>
Operating the Museum	112,576	1,142,821	1,255,397	1,222,163
<i>Total 2023</i>	<u>130,285</u>	<u>1,091,878</u>	<u>1,222,163</u>	

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

9. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2024 £	<i>Total funds 2023 £</i>
Practical gallery wages	23,214	30,537
Exhibition and conservation	89,362	99,748
	112,576	130,285

Analysis of support costs

	Total funds 2024 £	<i>As restated Total funds 2023 £</i>
Staff costs	396,877	425,305
Depreciation and loss on disposal	165,372	179,686
Property costs	353,159	181,016
Administration costs	197,212	227,881
Advertising and publicity costs	30,201	77,990
	1,142,821	1,091,878

10. Auditors' remuneration

	2024 £	2023 £
Fees payable to the Group's auditor for the audit of the Group's annual accounts	18,000	16,000
Accountancy services	3,500	3,300
Tax advisory	650	2,350

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

11. Staff costs

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Wages and salaries	400,226	428,954	381,455	412,436
Social security costs	25,935	28,933	25,426	28,918
Contribution to defined contribution pension schemes	13,849	14,870	13,210	14,488
	440,010	472,757	420,091	455,842

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

	Group 2024 No.	Group 2023 No.	Company 2024 No.	Company 2023 No.
Administration	9	9	9	9
Visitor Services/retail	17	18	17	18
	26	27	26	27

No employee received remuneration amounting to more than £60,000 in either year.

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 December 2024, expenses totalling £521 in respect of consumables and guest entertainment were reimbursed or paid directly to 2 Trustees (2023 - £323 to 1 Trustee).

The key management personnel of the Museum comprise the Finance Manager, Facilities Manager and the Packard Curator. The total employee remuneration, benefits, and employer costs of the key management personnel of the Charitable Group were £112,462 (2023: £98,829).

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

13. Tangible fixed assets

Group

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2024	14,756,323	20,733	257,415	15,034,471
Additions	8,540	-	-	8,540
At 31 December 2024	14,764,863	20,733	257,415	15,043,011
Depreciation				
At 1 January 2024	1,862,007	20,733	207,135	2,089,875
Charge for the year	141,845	-	27,159	169,004
At 31 December 2024	2,003,852	20,733	234,294	2,258,879
Net book value				
At 31 December 2024	12,761,011	-	23,121	12,784,132
At 31 December 2023	12,894,316	-	50,280	12,944,596

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

13. Tangible fixed assets (continued)

Company

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2024	14,756,323	20,734	221,804	14,998,861
Additions	8,540	-	-	8,540
At 31 December 2024	<u>14,764,863</u>	<u>20,734</u>	<u>221,804</u>	<u>15,007,401</u>
Depreciation				
At 1 January 2024	1,862,007	20,734	185,550	2,068,291
Charge for the year	141,845	-	23,527	165,372
At 31 December 2024	<u>2,003,852</u>	<u>20,734</u>	<u>209,077</u>	<u>2,233,663</u>
Net book value				
At 31 December 2024	<u>12,761,011</u>	<u>-</u>	<u>12,727</u>	<u>12,773,738</u>
At 31 December 2023	<u>12,894,316</u>	<u>-</u>	<u>36,254</u>	<u>12,930,570</u>

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

14. Heritage assets

Group and Company

Assets recognised at cost

	Heritage Assets £
Carrying value at 1 January 2024	278,667
Additions	12,726
	291,393
	291,393

The museum collection of over 10,000 objects including paintings, decorative art objects, silks, trophies, racing and betting equipment, racing memorabilia and an extensive documentary and photographic archive tells the story of the development of thoroughbred racing from the early 17th century to the present day. It also holds many reference books and materials in the library and archives.

The Museum's collections are an important record of horseracing from the seventeenth century to the current day and are a source of information for researchers from all over the world.

The collections are stored in the Collections Store, the Archive, the Library and in the galleries in Palace House and Trainers House.

The collection is managed by the Collections Manager and Collections Team (Graduate Trainee and Project Officer).

The public has access to the gallery spaces. Storage spaces (library, archive and store) are not accessible to the public, and the collection database is partially accessible online.

Analysis of heritage asset transactions

Group and Company

	2024 £	2023 £	2022 £	2021 £	2020 £
Donations					
Additions	12,726	-	-	6,225	5,000
Total additions	12,726	-	-	6,225	5,000

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

15. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 January 2024	4,157,643
Additions	522,314
Disposals	(501,426)
Gains/losses	205,533
Movement on cash accounts	(20,888)
At 31 December 2024	<u>4,363,176</u>
Net book value	
At 31 December 2024	<u>4,363,176</u>
<i>At 31 December 2023</i>	<u><u>4,157,643</u></u>

Investments includes £32,072 (2023: £52,961) in cash accounts.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

15. Fixed asset investments (continued)

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 January 2024	1	4,157,643	4,157,644
Additions	-	522,314	522,314
Disposals	-	(501,426)	(501,426)
Revaluations	-	205,533	205,533
Amounts written off	-	(20,888)	(20,888)
	<u>1</u>	<u>4,363,176</u>	<u>4,363,177</u>
At 31 December 2024	<u>1</u>	<u>4,363,176</u>	<u>4,363,177</u>
Net book value			
At 31 December 2024	<u>1</u>	<u>4,363,176</u>	<u>4,363,177</u>
At 31 December 2023	<u>1</u>	<u>4,157,643</u>	<u>4,157,644</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity	Class of shares
Palace House Trading Limited	10343747	Palace House, Palace Street, Newmarket, Suffolk, CB8 8EP	Retail, restaurant, cafe, and event catering services	Ordinary

Holding **Included in
consolidation**

100% Yes

The financial results of the subsidiary for the year were:

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

15. Fixed asset investments (continued)

Name	Income £	Expenditure £	Loss £	Net liabilities £
Palace House Trading Limited	186,558	198,582	12,024	309,110

16. Stocks

	Group 2024 £	Group 2023 £
Raw materials and consumables	349	349
Finished goods and goods for resale	46,747	32,379
	47,096	32,728

17. Debtors

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Due within one year				
Trade debtors	11,240	8,113	3,545	2,445
Amounts owed by group undertakings	-	-	68,500	19,787
Other debtors	30,447	20,430	32,690	28,609
Prepayments and accrued income	89,132	67,120	80,304	66,442
	130,819	95,663	185,039	117,283

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

18. Creditors: Amounts falling due within one year

	Group 2024	<i>Group As restated 2023</i>	Company 2024	<i>Company As restated 2023</i>
	£	£	£	£
Other loans	70,000	-	70,000	-
Trade creditors	79,074	44,812	68,668	36,512
Other taxation and social security	6,899	4,400	6,107	3,914
Other creditors	92,266	82,750	92,146	82,593
Accruals and deferred income	75,022	79,407	64,521	60,047
	323,261	211,369	301,442	183,066

19. Prior year adjustments

In the prior year other creditors was overstated by £69,462. A prior year adjustment has been made to reduce the creditor in the year ended 31 December 2023.

The impact of this adjustment is a reduction of creditors and expenditure in 2023 of £69,462, and an equal increase in unrestricted funds carried forward.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. Statement of funds

Statement of funds - current year

	Balance at 1 January 2024 As restated £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2024 £
Unrestricted funds						
Designated funds						
Fixed Asset Fund	13,223,263	-	(169,004)	21,266	-	13,075,525
General funds						
General Funds	291,317	844,888	(1,062,532)	113,241	-	186,914
Total Unrestricted funds	13,514,580	844,888	(1,231,536)	134,507	-	13,262,439
Endowment funds						
HLF Catalyst Endowment Permanent Fund	2,263,502	-	-	-	114,177	2,377,679
The Hon John Lambton Voluntary Settlement Permanent Fund	706,211	-	-	-	35,623	741,834
Jim Joel Legacy Scheme Expendable Fund	30,715	-	-	-	1,549	32,264
Thompson Family Charitable Trust Expendable Fund	495,405	-	-	-	24,989	520,394
The Hon John Lambton Voluntary Settlement Expendable Fund	578,768	-	-	-	29,195	607,963
	4,074,601	-	-	-	205,533	4,280,134

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

20. Statement of funds (continued)

Restricted funds

Museum Collection Purchases	136,689	-	-	(136,689)	-	-
Exhibition Donations	37,413	30,000	(40,387)	-	-	27,026
Project Posts Funding	46,813	83,774	(97,005)	-	-	33,582
Education Funds	34,993	8,500	(28,572)	2,182	-	17,103
Completion of Permanent Galleries	59,193	20,000	(4,068)	-	-	75,125
National Hunt scheme	5,000	-	-	-	-	5,000
Racing Foundation	22,556	35,000	(53,451)	-	-	4,105
	342,657	177,274	(223,483)	(134,507)	-	161,941
Total of funds	17,931,838	1,022,162	(1,455,019)	-	205,533	17,704,514

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. Statement of funds (continued)

Designated funds

The Fixed Asset fund reflects the total net book value of all fixed assets at the reporting date, including heritage assets.

Endowment funds

All capital raised for the Heritage Lottery Fund (HLF Catalyst Endowment Fund) will form a permanent fund.

The Jim Joel Legacy Scheme is an expendable fund relating to endowed income received in 2020 in recognition of Mr Joel's contribution to UK racing. This scheme is sponsored by the Childwick Trust who gave £31,000 to set up the scheme to encourage legacy giving.

The Hon John Lambton Voluntary Settlement Fund and The Thompson Family Charitable Trust Fund are for the long term support of the operation of the Charity.

Income from endowments is recognised within income funds.

Restricted funds

Museum Collection Purchases

Represents amounts received from the Friends of the National Horseracing Museum for the purpose of acquiring items for the permanent collection. £136,689 is represented by heritage assets and is considered to have been fully spent in accordance with the terms of the original restriction.

Exhibition Donations

This fund is for amounts received for expenditure relating to specific exhibitions.

Project Posts Funding

Represents income which has been acquired for a fixed period for the purpose of project development and funding additional employee costs in relation to the project.

Education Funds

Represents monies received to facilitate continued employment of Education Officer, education activities and marketing of the education function.

Completion of Permanent Galleries

Funds received to facilitate works to complete and improve the galleries and visitor experience.

National Hunt Scheme

Grant awarded to help sustain the core activities of the National Hunt gallery.

Racing Foundation

This grant is restricted for use towards the activities and associated costs to deliver the Creative Programme.

NLHF

Grant from the National Lottery Heritage Fund to develop new commercial income.

Retaining of racehorses

Grant monies receivable from Retraining of Racehorses for retaining racehorses' onsite.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. Statement of funds (continued)

Transfers

An amount of £21,266 was transferred from unrestricted funds to the Fixed Asset fund representing the additions to tangible fixed assets & heritage assets made in the year.

Within the restricted education funds, £2,182 was transferred from unrestricted funds to the Coral Pritchard Gordon graduate scheme fund. This transfer covered the remaining portion of the graduate's salary after the original fund was fully spent.

An amount of £136,689 was transferred from restricted funds to general reserves, to reflect that the Museum Collection Purchases fund has been fully spent.

Statement of funds - prior year

	<i>Balance at 1 January 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>As restated Balance at 31 December 2023 £</i>
Unrestricted funds						
Designated funds						
Mews Project Fund	512,393	-	(11,586)	(500,807)	-	-
Palace House Fund	12,542,677	-	(283,604)	(12,259,073)	-	-
Fixed Asset Fund	-	-	-	13,223,263	-	13,223,263
	<u>13,055,070</u>	<u>-</u>	<u>(295,190)</u>	<u>463,383</u>	<u>-</u>	<u>13,223,263</u>
General funds						
General Funds	<u>770,026</u>	<u>877,748</u>	<u>(916,123)</u>	<u>(440,334)</u>	<u>-</u>	<u>291,317</u>
Total Unrestricted funds	<u>13,825,096</u>	<u>877,748</u>	<u>(1,211,313)</u>	<u>23,049</u>	<u>-</u>	<u>13,514,580</u>
Endowment funds						
HLF Catalyst Endowment Permanent Fund	2,181,047	-	-	-	82,455	2,263,502

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 January 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2023 £</i>
The Hon John Lambton Voluntary Settlement Permanent Fund	680,485	-	-	-	25,726	706,211
Jim Joel Legacy Scheme Expendable Fund	29,596	-	-	-	1,119	30,715
Thompson Family Charitable Trust Expendable Fund	477,358	-	-	-	18,047	495,405
The Hon John Lambton Voluntary Settlement Expendable Fund	557,685	-	-	-	21,083	578,768
	<u>3,926,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>148,430</u>	<u>4,074,601</u>
Restricted funds						
Museum Collection Purchases	136,689	-	-	-	-	136,689
Exhibition Donations	27,587	25,127	(15,301)	-	-	37,413
Project Posts Funding	16,630	82,080	(51,897)	-	-	46,813
Education Funds	8,174	42,352	(15,533)	-	-	34,993
Completion of Permanent Galleries	46,928	25,000	(2,267)	(10,468)	-	59,193
National Hunt scheme	5,000	-	-	-	-	5,000

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

20. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 January 2023 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2023 £</i>
Racing Foundation	12,330	90,500	(67,693)	(12,581)	-	22,556
NLHF	15,742	-	(15,742)	-	-	-
Retraining of Racehorses	-	15,000	(15,000)	-	-	-
	<u>269,080</u>	<u>280,059</u>	<u>(183,433)</u>	<u>(23,049)</u>	<u>-</u>	<u>342,657</u>
Total of funds	<u><u>18,020,347</u></u>	<u><u>1,157,807</u></u>	<u><u>(1,394,746)</u></u>	<u><u>-</u></u>	<u><u>148,430</u></u>	<u><u>17,931,838</u></u>

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

21. Summary of funds

Summary of funds - current year

	As restated Balance at 1 January 2024 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2024 £
Designated funds	13,223,263	-	(169,004)	21,266	-	13,075,525
General funds	291,317	844,888	(1,062,532)	113,241	-	186,914
Endowment funds	4,074,601	-	-	-	205,533	4,280,134
Restricted funds	342,657	177,274	(223,483)	(134,507)	-	161,941
	17,931,838	1,022,162	(1,455,019)	-	205,533	17,704,514

Summary of funds - prior year

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
Designated funds	13,055,070	-	(295,190)	463,383	-	13,223,263
General funds	770,026	877,748	(916,123)	(440,334)	-	291,317
Endowment funds	3,926,171	-	-	-	148,430	4,074,601
Restricted funds	269,080	280,059	(183,433)	(23,049)	-	342,657
	18,020,347	1,157,807	(1,394,746)	-	148,430	17,931,838

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	12,784,132	-	-	12,784,132
Fixed asset investments	83,042	-	4,280,134	4,363,176
Heritage assets	291,393	-	-	291,393
Current assets	427,133	161,941	-	589,074
Creditors due within one year	(323,261)	-	-	(323,261)
Total	13,262,439	161,941	4,280,134	17,704,514

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2023 £</i>	<i>Restricted funds 2023 £</i>	<i>Endowment funds 2023 £</i>	<i>Total funds 2023 £</i>
Tangible fixed assets	12,944,596	-	-	12,944,596
Fixed asset investments	83,042	-	4,074,601	4,157,643
Heritage assets	141,978	136,689	-	278,667
Current assets	556,333	205,968	-	762,301
Creditors due within one year	(211,369)	-	-	(211,369)
Total	13,514,580	342,657	4,074,601	17,931,838

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

23. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2024 £	<i>Group As restated 2023 £</i>
Net expenditure for the period (as per Statement of Financial Activities)	(227,324)	(88,509)
Adjustments for:		
Depreciation charges	151,131	183,657
(Gains)/losses on investments	(205,533)	(148,430)
Investment income	(164,383)	(144,424)
Increase in stocks	(14,368)	(2,016)
Decrease/(increase) in debtors	(41,982)	15,717
Increase/(decrease) in creditors	38,990	(9,085)
Net cash used in operating activities	(463,469)	(193,090)

24. Analysis of cash and cash equivalents

	Group 2024 £	<i>Group 2023 £</i>
Cash at bank and in hand	411,159	633,910
Total cash and cash equivalents	411,159	633,910

25. Analysis of changes in net debt

	At 1 January 2024 £	Cash flows £	At 31 December 2024 £
Cash at bank and in hand	633,910	(222,751)	411,159
Debt due within 1 year	-	(70,000)	(70,000)
	633,910	(292,751)	341,159

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

26. Capital commitments

	Group 2024 £	<i>Group 2023 £</i>
Contracted for but not provided in these financial statements		
Acquisition of intangible assets	20,375	-

27. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group at year end are £2,225 (2023: £2,454), which is shown in other creditors.

28. Related party transactions

An independent and separately registered charity exists in connection with the National Horseracing Museum in the name of The Friends of the National Horseracing Museum, (charity registration number 291154). Given its independence the Friends' results are not incorporated within these financial statements.

During the year donations were made by the Friends of the National Horseracing Museum of £50,473 (2023: £Nil).

The Charitable Company is a member of Discover Newmarket, a community interest company (registration number 09362242). During the year income of £16,039, (2023: £17,048) was delivered from this association in the form of admissions and cafe revenue and purchases in the year totalled £44,510 (2023: £36,974). At the year end, a balance of £7,546 (2023: £4,884) was owed by the group.

With the consent of the Charitable Company, Trustees indemnity insurance has been purchased as a part of the insurance cover of the Charitable Company as a whole and is not separately identified within total insurance costs of £26,887 (2023: £30,367).

During the year the Charitable Company recharged costs of £67,534, (2023: £79,150) to its subsidiary Palace House Trading Ltd. At the year end, a balance of £68,500 (2023: £19,787) was owed by the subsidiary and was recognised in debtors of the Charitable Company. A further balance of £309,110 (2023: £393,916) owed by the subsidiary has been provided against. During the year there was a management charge totalling £34,822 (2023: £52,270) between the Charitable Company and its subsidiary Palace House Trading Ltd.

During the year, the Charitable Company received a loan of £70,000 (2023: Nil) from New England Stud Farm Limited a company owned by one of the trustees. The loan is interest free and repayable at an agreed time or within 28 days from the date of request.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

29. Funds held for third parties

During the year the Group and the Charity received cash of £70,872 (*As restated 2023: £91,718*) on behalf of Presents Galore which is held within the group and the Charity's bank account. Presents Galore is a fundraising event which raises money via a Christmas fair, all proceeds of which are split between the Charity and Cambridge Children's Hospital. At the year end £70,872 (*As restated 2023: £91,718*) was owed to Presents Galore and is included within other creditors in the financial statements.

Accounts

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1
Trustees' report	2 - 9
Independent auditors' report on the financial statements	10 - 14
Consolidated statement of financial activities	15 - 16
Consolidated balance sheet	17 - 18
Company balance sheet	19 - 20
Consolidated statement of cash flows	21
Notes to the financial statements	22 - 50

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Trustees	Hon. Frances Caroline Burke Stanley, Chair John Henry Chatfeild-Roberts Brian Peter Finch Annette Julie Green Paul Richard Lindsell Nicholas Edward Francis Luck Paul George Taiano Lady Jane Grosvenor (resigned 13 June 2024) Jonathan Benson Adam Signy Paul Ogburn Sally Goodsir (resigned 26 January 2023) Ben Hanbury (resigned 26 January 2023) Michael Sutherill (appointed 1 August 2024)
Company registered number	01592031
Charity registered number	283656
Registered office	Palace House Palace Street Newmarket Suffolk CB8 8EP
Independent auditors	Larking Gowen LLP Chartered Accountants 1 Claydon Business Park Great Blakenham Ipswich IP6 0NL
Investment managers	Evelyn Partners 25 Moorgate London EC2R 6AY

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 January 2023 to 31 December 2023. 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).

Since the group and the Company qualify as small under section 383 of the Companies Act 2006, the Group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

Objectives and activities

a. Policies and objectives

To maintain the standards expected of a national institution by ensuring excellence in collections management, a balance in the displays between period, themes and types of racing, sporting art, and between loans and acquisitions.

To maintain and improve the financial health of the organisation via a balanced range of income sources.

To provide a lively and varied annual programme of special exhibitions and displays to drive footfall and to address topics of interest and relevance unrepresented by the permanent displays.

To increase public access, attracting a broad audience to our collections and exhibitions.

To develop new audiences, to strengthen links with the local community, with a particular focus on young people.

To complete the permanent galleries not installed as part of the first phase of building the museum.

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

b. Activities undertaken to achieve objectives

Following a change in leadership a number of staffing roles have been reviewed and modified to create a leaner and more appropriately skilled workforce. This includes a new management partnership with Discover Newmarket, who now oversees all operational aspects of the museum along with management of staff, visitor services, programming, marketing and events.

The main exhibition for 2023, Mutiny in Colour, was an ambitious project which sought to reach a different demographic of visitor. The exhibition included pieces from modern contemporary artists such as Banksy, the Connor Brothers, Damien Hirst and Tracey Emin. An additional 6,000 visitors were welcomed during this exhibition which ran from June to October 2023.

The education and community reach remained strong with over 4,903 visits during 2023 which included a very successful summer programme based around the Banksy street art theme.

The Gift Shop had a re-fit along with the introduction of a number of new ranges which better suits the needs of the museum visitors as well as residents.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

The range of events and room hire procedure were reviewed to ensure that they better support the commercial agenda moving forward.

The museum welcomed an artist in residence who supports both the adult education and commercial agenda through a number of paid masterclasses.

Extensive work has been carried out in updating the museum's collections policy. Palace House saw the re-hanging of Munnings on the top floor and a new Skeaping exhibition was installed.

c. Volunteers

The Trustees and staff are extremely grateful to all the volunteers that contribute enormously to the Museum. The programme is made up of a variety of non-traditional volunteering backgrounds, their presence on site makes a huge difference to both visitors and staff and provide an increasingly important resource in supporting the curatorial team.

d. Main activities undertaken to further the Company's purposes for the public benefit

The public benefits principally from the preservation and conservation of this nationally important collection of racing works of art, social history objects, archival documents, and photographs. Members of the public are able to view the exhibitions in person and increasingly, online and to use the research services of the Museum.

The Museum also provides wider social benefit through the provision of greatly improved facilities and services for families and young people and through much improved educational facilities and learning programmes. The organisation works hard to engage the local community beyond the core racing audience. A community outreach programme has integrated the National Horseracing Museum into the life of Newmarket and its diverse communities, as well as those of the surrounding area.

To fulfil this, we have an extensive programme put together by our Creative Programme Manager which during the year under review included activities around Black History Month, Racing with Pride, Suffolk Holiday Activity Programme, Tiny Art Around Town, Dementia and Sleep Clinics and a national Young Writers Competition. Within formal learning the museum welcomed 65 school visits which totalled 2,058 children. Informal learning included sessions such as Little Horseshoes, which is specific to children under the age of 4 and had 232 attendees. The Equine Therapy session 'Shine a Light' Dementia Group was attended by 31 residents. Our annual programme Under Starters Orders had 405 children take part spread over 15 sessions in the summer term of 2023. Our Holiday Activities programme which runs every school holiday was well attended attracting 868 participants. These activities had a street art theme to coincide with Mutiny in Colour and included everything from T-Shirt designs, baseball caps, graffiti and spray paints. A total of 213 young people from the Newmarket Academy took part in Dubai Future Champions workshops and GCSE PE and Racing to School Beacon Sports Science Revision sessions.

Achievements and performance

a. Main achievements of the Company

The change in leadership of the museum and the subsequent staff changes, including the new management contract with Discover Newmarket, has brought financial gains to the business as well as creating an improved working environment.

Much of the year was spent in training and mentoring new staff and volunteers and introducing robust operational procedures to ensure the smooth daily running of the museum.

The Mutiny in Colour exhibition was the first time that an exhibition had linked all areas of the site along with the town centre and two other West Suffolk museums (Haverhill Arts Centre and Moyse Hall). A series of

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

community activities as well as income generating events engaged a broader audience and the street art theme noticeably attracted more teenagers to the museum. The related publicity raised the museum's profile significantly with numerous press features including extensive coverage by five national newspapers.

The opening of a semi-permanent Hall of Fame exhibition created a new income generating gallery as well as cementing the museum as being at the heart of horseracing.

b. Key performance indicators

Increased number of visitors

Increased number of education/community engagement

Reduction in expenditure

Balanced budget

c. Review of activities

The new team were able to deliver a high volume of activities during 2023. Covering a broad range of topics but still connecting with the overarching theme of the museum.

The range of activities attracted a diverse audience and the associated publicity ensured that the profile of the museum was raised.

Moving forward, longer lead times and more cohesiveness across the museum will assist in maximising the commercial opportunities and improving reach.

d. Factors relevant to achieve objectives

A change in leadership and a full financial review has led to a streamlined workforce and a focus on commercial activities.

There is now a better understanding of how the museum needs to operate in order to work towards being financially independent and raising its profile as the epicentre for the history of horseracing.

e. Fundraising activities and income generation

The Museum was extremely grateful to Charlie Langton who donated £50,000 during 2023.

A Private Fundraiser who was engaged in 2022 secured a number of new benefactors and a two year £25,000 per year donation from the Cadogan Charity.

Christopher Tregoning, who heads up our fundraising committee, secured several donations during the year. Elizabeth Jackson, Harris F.C Trust and Frank Litchfield Trust being but a few.

f. Investment policy and performance

Management of the Charitable Company's investment portfolio is delegated by the Trustees to Evelyn Partners, who advise the Trustees on investment performance. The investment advisors are given the freedom they need to achieve the best results practicable without specific constraints on such matters as social, ethical, or environmental considerations.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Financial review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

In line with guidance published by the Charities Commission, the Trustees are concerned to establish an adequate level of unrestricted reserves to enable the organisation to carry out its charitable objectives and to safeguard its activities in the event of unplanned financial challenges. The Trustees' policy is to build the endowment fund to such a level that the income from it will be sufficient to cover the core operating costs. The Trustees' policy with regard to free reserves (funds not tied to fixed assets, designated, or restricted funds) is to maintain sufficient resources to meet its obligations as they fall due. Mindful of the need to protect the organisation against future financial challenges through either unplanned operational costs, loss of grant income or unexpected reductions in commercial income.

The free reserves target level of £350,000, which equates to approximately four months of operational costs based on the annual operating cost budget, would have been met if not for the transfer to designated funds this year. This transfer has been made to ensure that the designated Fixed Asset fund equals the total of the net book value of tangible fixed assets plus heritage assets. The shortfall on target is £78,145.

At the year end, the Group's total funds amounted £17,862,376 (2022: £18,020,347) of which £342,657 (2022: £269,080) were restricted funds and £4,074,601 (2022: £3,926,171) were endowment funds. The Group's unrestricted reserves were £13,445,118 (2022: £13,825,096) including £13,223,263 (2022: £13,055,070) of designated funds. Free reserves were £221,855 (2022: £770,026). The reduction in free reserves is largely driven by the transfer to designated funds, to ensure that the designated Fixed Asset fund equals the total of the net book value of tangible fixed assets plus heritage assets.

Structure, governance and management

a. Constitution

The National Horseracing Museum is registered as a charitable company limited by guarantee and was set up by a Trust deed, for the public benefit to promote public interest in the preservation of all activities which are of historical or scientific interest in connection with racehorses and persons and places connected with racehorses and the art of other sports generally, principally through the running of the National Heritage Centre for Horseracing and Sporting Art at Palace House, and to preserve and care for the heritage and buildings making up the Palace House complex and in furtherance of this object.

b. Methods of appointment or election of Trustees

The management of the Group and the Company is the responsibility of the Trustees who are elected and coopted under the terms of the Trust deed.

In the Museum's Memorandum and Articles it is agreed that:

- Trustee terms be limited to three years in the first instance, renewable (if both parties are in agreement) for a further three years.
- After six years' service Trustee terms can, by mutual consent of the Chair and the respective Trustee, be renewable annually, to a maximum of nine years' service in total.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

- The Chair reviews the membership of those Trustees who have served more than six years, with a view to effecting an orderly transition from existing to new members.
- The Chair and Board will invite suggestions for new Trustees who can enhance the Board's diversity in terms of age, professional expertise, and socio-economic background.
- The Museum will advertise publicly for new Trustees.
- The Museum will encourage applications for the Board by qualified candidates from visible and invisible minority group members, persons with disabilities, persons across the spectrum of sexual and gender identities, and others with the skill and knowledge to engage with diverse communities.
- The Board's size to be no less than 10 and no more than 14 Trustees.

The Trustees will be asked (i) to ensure that the Museum runs smoothly and effectively by supervising and monitoring the performance of the Museum's operation in accordance with the sector's standards of good practice and the principles of transparency, diversity, equality, and fiscal sustainability and (ii) to assist the Executive to identify, cultivate and harness potential sources of external funding for core projects.

The appointment of Trustees is by proposal according to the skills requirements of the Charitable Company and requires a unanimous positive vote. The recruitment process focussing on the need for all Trustees to come from a variety of backgrounds, personal & experiential; ideally bringing experience in Finance; Higher Education; Museums (Policy/Operations and Collections); Events/Catering; Marketing and the Voluntary Sector.

Representation at Board meetings includes members of the Local Authorities (specifically one observer/attendee each from Suffolk County Council and West Suffolk District Council). To date, there has never been the need to remove a Trustee from office.

c. Organisational structure and decision-making policies

The Trustees determine the general policy of the Charitable Company and are elected in accordance with the Memorandum and Articles of Association. The day-to-day management of The National Horseracing Museum (the Museum) is delegated to the Museum senior staff and Discover Newmarket (collectively referred to as the Executive). The National Horseracing Museum is the legal entity responsible for running the Museum at Palace House, Newmarket.

The Trustees delegate authority on all strategic and day-to-day matters to the Executive. However, the following reserved matters require Trustee approval:

- The annual budget
- The annual auditors' report
- Capital project expenditure above £100,000
- The annual, five-year Forward Plan, and any subsequent variants of this
- The annually reviewed Risk Register and the associated Risk Management Plan
- The Museum's operational policies
- Changes in the terms of governance
- Staff ex gratia and bonus payments
- Changes to partnership agreements with the site's associated charities.

While new Trustees will be asked to respect the Executive's responsibility for the operation of the Museum, Trustees may also be asked to mentor a senior member of the Museum staff working in an area which corresponds to their own professional expertise.

d. Policies adopted for the induction and training of Trustees

Upon appointment, Trustees are given advice outlining their role and responsibilities to the Charitable Company and its structure and governance. Provision is made for external training of Trustees as necessary.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

e. Pay policy for key management personnel

The Trustees consider the senior staff and Discover Newmarket, comprise the key management personnel in charge of directing and controlling, running, and operating the Charitable Company on a day-to-day basis. All Trustees give of their time freely, and no Trustee received remuneration in the year.

The pay of senior staff is reviewed annually, and The Trustees benchmark pay against levels in other provincial museums of a similar size. We follow Museums Association "Pay in Museums" guidance to ensure fair pay for all. Executive salaries are set by recommendation of the Audit & Performance Committee to the Chair of the Board.

f. Related party relationships

The Charitable Company is a member of Discover Newmarket, a community interest company (registration number 09362242).

The National Horseracing Museum holds 100% of the issued share capital of Palace House Trading Limited, a company registered in England and Wales.

With the consent of the Charitable Company, Trustees indemnity insurance has been purchased as a part of the insurance cover of the Charitable Company as a whole and is not separately identified within total insurance costs of £30,367 (2022: £23,956). It is understood and agreed that the policy is extended to include Trustees' indemnity for a limit of indemnity up to GBP 250,000 in the annual aggregate. The insurance covers claims made against any Trustees in the event of their negligence in any aspect of the administration of the Charity including all costs and expenses.

Plans for future periods

Following a period of change in leadership and staffing, the Museum's forward focus will be centred around the following areas:

Undertaking a wayfinding exercise to improve visitor movement around the Museum and improving connectivity across the site with a view to enhance visitor experience and increase footfall.

Undertaking a master plan exercise to review all areas of the site and introduce new permanent exhibitions to complete the galleries not finalised in the original build. This will add value to the visitor experience, increasing dwell time and increasing footfall.

Establish an exciting, engaging and cohesive programme of exhibitions, events and activities to draw in new audiences and maximise all income opportunities.

To carry out a full maintenance review across the site to ensure that the Museum is structurally and operational compliant and establish an ongoing maintenance programme to preserve the Museum and ensure it is presented to a high standard at all times.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

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).

The Charitable Company has no share capital and is limited by guarantee. Each Trustee is a member of the Charitable Company and is a guarantor who undertakes to contribute to the assets of the Charitable Company, in the event of it being wound up, such amount as may be required, not exceeding £1.

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 judgments 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 auditors

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 auditors are 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 auditors are aware of that information.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Auditors

The auditors, Larking Gowen LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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



Hon. Frances Caroline Stanley
(Chair of Trustees)

Date:

23/9/24

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE NATIONAL HORSERACING MUSEUM

Opinion

We have audited the financial statements of The National Horseracing Museum (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 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 December 2023 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 and the Charities Act 2011.

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 Auditors' 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.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE NATIONAL
HORSERACING MUSEUM (CONTINUED)**

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE NATIONAL
HORSERACING MUSEUM (CONTINUED)**

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.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE NATIONAL HORSERACING MUSEUM (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- Enquiries made with management about any known or suspected instances of non-compliance with laws and regulations, accidents in the workplace and fraud;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Reviewing board minutes and any relevant correspondence with external authorities;
- Reviewing legal and professional costs for indications of litigation;
- Challenging assumptions and judgements made by management in their significant estimates, in particular in relation to investment property valuations, depreciation calculations and stock valuations; and
- Auditing risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion

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 Auditors' report.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF THE NATIONAL
HORSERACING MUSEUM (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, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Larking Gowen LLP

Giles Kerkham (Senior statutory auditor)

for and on behalf of

Larking Gowen LLP

Chartered Accountants
Statutory Auditors

1 Claydon Business Park

Great Blakenham

Ipswich

IP6 0NL

Date: 24/9/2024

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2023**

		Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	<i>As restated Total funds 2022 £</i>
	Note					
Income and endowments from:						
Donations and legacies	4	324,944	280,059	-	605,003	1,134,016
Charitable activities	5	203,145	-	-	203,145	179,356
Other trading activities	6	205,235	-	-	205,235	181,696
Investments	7	144,424	-	-	144,424	111,528
Other income	8	-	-	-	-	12,000
Total income and endowments		877,748	280,059	-	1,157,807	1,618,596
Expenditure on:						
Raising funds	9	172,583	-	-	172,583	197,532
Charitable activities		1,108,192	183,433	-	1,291,625	1,413,170
Total expenditure		1,280,775	183,433	-	1,464,208	1,610,702
Net (expenditure)/income before net gains/(losses) on investments						
		(403,027)	96,626	-	(306,401)	7,894
Net gains/(losses) on investments		-	-	148,430	148,430	(275,853)
Net (expenditure)/income		(403,027)	96,626	148,430	(157,971)	(267,959)
Transfers between funds	21	23,049	(23,049)	-	-	-
Net movement in funds		(379,978)	73,577	148,430	(157,971)	(267,959)

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2023

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	<i>As restated Total funds 2022 £</i>
Note					
Reconciliation of funds:					
Total funds brought forward	13,825,096	269,080	3,926,171	18,020,347	18,288,306
Net movement in funds	(379,978)	73,577	148,430	(157,971)	(267,959)
Total funds carried forward	<u><u>13,445,118</u></u>	<u><u>342,657</u></u>	<u><u>4,074,601</u></u>	<u><u>17,862,376</u></u>	<u><u>18,020,347</u></u>

The Consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 22 to 50 form part of these financial statements.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)
REGISTERED NUMBER: 01592031

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	As restated 2022 £
Fixed assets			
Tangible assets	14	12,944,596	13,112,422
Heritage assets	15	278,667	278,667
Investments	16	4,157,643	4,009,213
		<u>17,380,906</u>	<u>17,400,302</u>
Current assets			
Stocks	17	32,728	30,712
Debtors	18	95,663	111,380
Cash at bank and in hand		633,910	698,413
		<u>762,301</u>	<u>840,505</u>
Creditors: amounts falling due within one year	19	(280,831)	(220,460)
Net current assets		<u>481,470</u>	<u>620,045</u>
Total assets less current liabilities		<u>17,862,376</u>	<u>18,020,347</u>
Total net assets		<u><u>17,862,376</u></u>	<u><u>18,020,347</u></u>
Charity funds			
Endowment funds	21	4,074,601	3,926,171
Restricted funds	21	342,657	269,080
Unrestricted funds			
Designated Funds	21	13,223,263	13,055,070
General funds	21	221,855	770,026
Total unrestricted funds	21	<u>13,445,118</u>	<u>13,825,096</u>
Total funds		<u><u>17,862,376</u></u>	<u><u>18,020,347</u></u>

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)
REGISTERED NUMBER: 01592031

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



Hon. Frances Caroline Stanley
(Chair of Trustees)

Date: 23/9/24

The notes on pages 22 to 50 form part of these financial statements.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)
REGISTERED NUMBER: 01592031

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	As restated 2022 £
Fixed assets			
Tangible assets	14	12,930,570	13,100,954
Heritage assets	15	278,667	278,667
Investments	16	4,157,644	4,009,214
		<u>17,366,881</u>	<u>17,388,835</u>
Current assets			
Debtors	18	117,283	216,884
Cash at bank and in hand		533,910	515,656
		<u>651,193</u>	<u>732,540</u>
Creditors: amounts falling due within one year	19	(252,528)	(196,391)
Net current assets		<u>398,665</u>	<u>536,149</u>
Total assets less current liabilities		<u>17,765,546</u>	<u>17,924,984</u>
Total net assets		<u><u>17,765,546</u></u>	<u><u>17,924,984</u></u>
Charity funds			
Endowment funds	21	4,074,601	3,926,171
Restricted funds	21	342,657	269,080
Unrestricted funds			
Designated funds	21	13,209,237	13,055,070
General funds	21	139,051	674,663
Total unrestricted funds	21	<u>13,348,288</u>	<u>13,729,733</u>
Total funds		<u><u>17,765,546</u></u>	<u><u>17,924,984</u></u>

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)
REGISTERED NUMBER: 01592031

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

The Company's net movement in funds for the year was £(159,438) (2022 - £(226,095)).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



Hon. Frances Caroline Stanley
(Chair of Trustees)

Date:

23/9/24

The notes on pages 22 to 50 form part of these financial statements.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	<i>As restated</i>
	£	2022
		£
Cash flows from operating activities		
Net cash used in operating activities	(193,096)	409,688
Cash flows from investing activities		
Investment income	144,424	111,528
Movement in investment cash	-	(30,066)
Purchase of investments	-	(2,334,629)
Purchase of intangible fixed assets	(15,831)	(35,702)
Proceeds from sale of investments	-	1,015,101
Net cash provided by/(used in) investing activities	128,593	(1,273,768)
Cash flows from financing activities		
Net cash provided by financing activities	-	-
Change in cash and cash equivalents in the year	(64,503)	(864,080)
Cash and cash equivalents at the beginning of the year	698,413	1,562,493
Cash and cash equivalents at the end of the year	633,910	698,413

The notes on pages 22 to 50 form part of these financial statements

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

The National Horseracing Museum is a registered company, limited by guarantee, and a charity registered with the Charity Commission. The National Horseracing Museum is incorporated in England and Wales, company registration number 01592031 and charity registration number 283656. The registered office is Palace House, Palace Street, Newmarket, Suffolk, CB8 8EP.

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.

The National Horseracing Museum is a Charitable Company limited by guarantee, incorporated in England and Wales which 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 notes.

The financial statements are prepared in sterling, which is the functional currency of the Charitable Company. Monetary amounts in these financial statements are rounded to the nearest £.

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 Basis of consolidation

The consolidated financial statements incorporate the accounts of the Charitable Company and those of its trading subsidiary, Palace House Trading Ltd, for the year ended 31 December 2023 on a line-by-line basis. A Separate Statement of Financial Activity (SOFA) is not presented because the Charitable Company has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

The Charitable Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Charitable Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Charitable Company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 “Statement of Cash Flows” — Presentation of a statement of cash flow and related notes and disclosures;

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.3 Going concern

The group finances its day-to-day operations primarily from grants and donations the Trustees have prepared forecasts and projections through to 31 December 2025 based on a number of potential scenarios. And after reviewing these forecasts and projections, with the back-up of an expendable endowment, which can be utilised to meet any shortfall in forecast income, at the time of approving these financial statements, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for at least the next 12 months. The Trustees therefore consider it appropriate to continue to adopt the going concern basis in preparing the group's financial statements.

2.4 Income

All grants, donations and income from charitable activities are recognised when the Charitable Company is legally entitled to the income and the amount can be quantified with reasonable probability. Income is only deferred when admission fees or other income are received in advance.

Income from other trading activities is recognised as earned when the related goods and services are provided.

Investment income is recognised on a receivable basis.

2.5 Volunteers and donated services facilities

The value of services provided by volunteers is not incorporated in these financial statements. Their valuable contribution is recognised in the Report of the Trustees.

There are no donated services or facilities to recognise in these financial statements, if services are provided to the Charitable Company as a donation that would normally be purchased from suppliers, these will be included in the financial statements at an estimate of the value of the contribution to the Charitable Company.

2.6 Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods and services when supplied or when a constructive obligation arises which results in the payment being unavoidable.

- Costs of raising funds are those costs incurred in running the Museum Café, Gift Shop, Tours and Fundraising Events and, in these consolidated accounts, include the costs incurred by the trading subsidiary.
- Charitable activities relate to the costs of running of the Museum.
- Support costs have been allocated to the relevant activity cost categories on a basis consistent with the use of those resources. This has been via an estimated percentage by the Trustees where it is not practical to identify actual costs.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.7 Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to that category. The Charitable Company is partially culturally exempt. and irrecoverable VAT is charged against the category of resources expended for which it was incurred.

2.8 Museum collections heritage assets

The collection consists of historic assets associated with horseracing. The value shown in the accounts is that of purchases added to the collection over a period of years. No value has been attributed to donated items added to the collection prior to 2005.

The Trustees consider that the historic nature of the collections, which is displayed in the National Horseracing Museum in furtherance of the Charitable Company's objects, is such that it is not appropriate to place a value on the entire collection, as the significant cost involved would be onerous compared with the additional benefit derived by the users of the financial statements.

No provision is made for diminution in value of the Museum collections, as in the opinion of the Trustees its value is maintained.

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £350 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.

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:

Long-term leasehold property	- over 100 years
Motor vehicles	- over 5 years
Fixtures and fittings	- over 5 years

2.10 Investments

Listed fixed asset investments are included in the balance sheet at their bid valuation, as advised by the Investment Managers, adjusted for impairment in value. Realised and unrealised gains or losses from the respective sale and revaluation of investments are separately identified in the Statement of Financial Activities.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.11 Investment in subsidiary

In the separate accounts of the Charitable Company, the interest in the subsidiary is initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

The interest in the subsidiary is assessed for impairment at each reporting date. Any impairment loss or reversal of impairment losses are recognised immediately in the net movement in funds.

2.12 Stocks

Stock, being goods held for resale, is stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in first out basis. Net realisable value is based on estimated selling price.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price is recognised as an impairment loss in profit or loss.

2.13 Operating leases

Rental expenditure applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

2.14 Financial instruments

The Charitable Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Charitable Company becomes a party to the contractual provisions of the instrument.

Financial assets

Basic financial assets including trade and other receivables are initially measured at transaction price (including transaction costs) and are subsequently carried at amortised cost using the effective interest method.

Financial instruments at fair value

Investments

Investments are equity investments over which the Charitable Company has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred. Investments are measured at fair value through profit or loss or cost less impairment if fair value cannot be measured reliably.

The fair value of investments quoted on a recognised stock exchange is the quoted bid price.

Financial liabilities

Basic financial liabilities, including trade and other payables are recognised at transaction price. Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities where payment is due within one year or less. If not, they are presented as creditors due after more than one year. Trade and other payables are subsequently measured at amortised cost.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.15 Pensions

The Charitable Company contributes to the personal pension plans of certain employees. The cost is charged to the income and expenditure account as contributions fall due.

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

2.16 Taxation

The Charitable Company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

2.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2.18 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.

2.19 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.

2.20 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.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.21 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.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.22 Fund accounting

The Charitable Company maintains various types of funds as follows:

Endowment funds

The HLF Catalyst endowment fund represents monies raised to establish a permanent endowment fund which will continue in perpetuity and only investment income from the endowment fund may be drawn upon for transfer to the General Fund. The expendable endowment fund relates to funds received to support any shortfall in income or exceptional costs.

Restricted funds

The restricted funds represent monies received to fund specific activities and to purchase certain items for the collection as set out in note 25 of the financial statements.

Unrestricted funds

General unrestricted funds represent monies which are expendable at the discretion of the Trustees in the furtherance of the objects of the Charitable Company. Such funds may be held in order to finance both working capital and capital investment.

Designated funds

The designated funds represent amounts which have been put aside out of unrestricted funds at the discretion of the Trustees. The fund reflects the unrestricted fixed assets.

2.23 Legal status of the Charitable Company

The Charitable Company has no share capital but is limited by guarantee. Every member of the Charitable Company is a guarantor and undertakes to contribute such amounts as may be required to the assets of the Charitable Company in the event of it being wound up. Each guarantor's liability is limited to £1.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. Critical accounting estimates and areas of judgment

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 circumstance.

Critical accounting estimates and assumptions

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The carrying value of the Museum's collection of heritage assets is held at cost and not depreciated. In concluding that these assets are not impaired management makes estimates as to the current value of the assets and their value in use.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Charitable Company as lessee.

The Charitable Company accounts for depreciation on leasehold property in accordance with FRS 102. Properties are depreciated over their estimated useful life, taking into account any residual value. Judgements are made on the residual values and estimated useful live of the assets which are regularly reviewed. The Trustees have taken the decision to hold the leasehold property in a separate designated fixed asset fund.

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	<i>Restated Total funds 2022 £</i>
Donations	190,404	-	-	190,404	594,771
Grants	134,540	280,059	-	414,599	515,618
Government grants	-	-	-	-	23,627
	<u>324,944</u>	<u>280,059</u>	<u>-</u>	<u>605,003</u>	<u>1,134,016</u>
<i>Total 2022</i>	<u><i>608,171</i></u>	<u><i>284,862</i></u>	<u><i>240,983</i></u>	<u><i>1,134,016</i></u>	

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Admissions	198,292	198,292	154,869
Other income	4,853	4,853	24,487
	<u>203,145</u>	<u>203,145</u>	<u>179,356</u>
<i>Total 2022</i>	<u>179,356</u>	<u>179,356</u>	

6. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Fundraising activities	6,064	6,064	30,222
	<u>30,222</u>	<u>30,222</u>	
<i>Total 2022</i>	<u>30,222</u>	<u>30,222</u>	

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. Income from other trading activities (continued)

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Sales	176,925	176,925	133,114
Rent receivable	22,200	22,200	17,800
Other income	46	46	560
	<u>199,171</u>	<u>199,171</u>	<u>151,474</u>
<i>Total 2022</i>	<u>151,474</u>	<u>151,474</u>	

7. Investment income

	Unrestricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Income from listed investments	143,837	-	143,837	111,439
Bank deposits	587	-	587	89
	<u>144,424</u>	<u>-</u>	<u>144,424</u>	<u>111,528</u>
<i>Total 2022</i>	<u>89</u>	<u>111,439</u>	<u>111,528</u>	

8. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Government Local Restrictions Support Scheme	<u>-</u>	<u>-</u>	<u>12,000</u>

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

9. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Fundraising costs	171,001	171,001	191,281

Other trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Administration expenses	1,200	1,200	4,865
Administration staff costs	382	382	1,386
	<u>1,582</u>	<u>1,582</u>	<u>6,251</u>

10. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	Total funds 2022 £
Operating the Museum	130,285	1,161,340	1,291,625	1,413,170
<i>Total 2022</i>	<u>64,697</u>	<u>1,348,473</u>	<u>1,413,170</u>	

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Practical gallery wages	30,537	18,970
Exhibition and conservation	99,748	45,727
	130,285	64,697

Analysis of support costs

	Total funds 2023 £	<i>Total funds 2022 £</i>
Staff costs	425,305	559,954
Depreciation and loss on disposal	179,686	309,621
Property costs	250,478	223,373
Administration costs	227,881	216,106
Advertising and publicity costs	77,990	39,419
	1,161,340	1,348,473

11. Auditors' remuneration

	2023 £	<i>2022 £</i>
Fees payable to the Group's auditor for the audit of the Group's annual accounts	16,000	22,500
Accountancy services	3,300	4,525
Tax advisory	2,350	1,735

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Staff costs

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	428,954	561,949	412,436	522,080
Social security costs	28,933	39,476	28,918	36,686
Contribution to defined contribution pension schemes	14,870	21,544	14,488	20,158
	472,757	622,969	455,842	578,924

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

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Administration	9	14	9	14
Visitor Services/retail	18	21	18	21
	27	35	27	35

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

	Group 2023 No.	Group 2022 No.
In the band £70,001 - £80,000	-	1

13. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 December 2023, expenses totalling £323 in respect of consumables and guest entertainment were reimbursed or paid directly to 1 Trustee (2022 - £377 to 1 Trustee).

The key management personnel of the Museum comprise the Museum Director and the Packard Curator. The total employee remuneration, benefits, and employer costs of the key management personnel of the Charitable Group were £98,829 (2022: £135,241).

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Tangible fixed assets

Group

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2023	14,747,020	20,733	250,887	15,018,640
Additions	9,303	-	6,528	15,831
At 31 December 2023	14,756,323	20,733	257,415	15,034,471
Depreciation				
At 1 January 2023	1,720,161	20,733	165,324	1,906,218
Charge for the year	141,846	-	41,811	183,657
At 31 December 2023	1,862,007	20,733	207,135	2,089,875
Net book value				
At 31 December 2023	12,894,316	-	50,280	12,944,596
At 31 December 2022	13,026,859	-	85,563	13,112,422

Company

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2023	14,747,020	20,734	221,804	14,989,558
Additions	9,303	-	-	9,303
At 31 December 2023	14,756,323	20,734	221,804	14,998,861

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Tangible fixed assets (continued)

Company (continued)

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Depreciation				
At 1 January 2023	1,720,161	20,734	147,709	1,888,604
Charge for the year	141,846	-	37,841	179,687
At 31 December 2023	<u>1,862,007</u>	<u>20,734</u>	<u>185,550</u>	<u>2,068,291</u>
Net book value				
At 31 December 2023	<u>12,894,316</u>	<u>-</u>	<u>36,254</u>	<u>12,930,570</u>
<i>At 31 December 2022</i>	<u>13,026,859</u>	<u>-</u>	<u>74,095</u>	<u>13,100,954</u>

15. Heritage assets

Group and Company

Assets recognised at cost

	Heritage Assets £
Carrying value at 1 January 2023	278,667
	<u>278,667</u>

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

15. Heritage assets (continued)

Group and Company (continued)

The museum collection of over 10,000 objects including paintings, decorative art objects, silks, trophies, racing and betting equipment, racing memorabilia and an extensive documentary and photographic archive tells the story of the development of thoroughbred racing from the early 17th century to the present day. It also holds many reference books and materials in the library and archives.

The Museum's collections are an important record of horseracing from the seventeenth century to the current day and are a source of information for researchers from all over the world.

The collections are stored in the Collections Store, the Archive, the Library and in the galleries in Palace House and Trainers House.

The collection is managed by the Collections Manager and Collections Team (Graduate Trainee and Project Officer).

The public has access to the gallery spaces. Storage spaces (library, archive and store) are not accessible to the public, and the collection database is partially accessible online.

Analysis of heritage asset transactions

Group and Company

	2023	2022	2021	2020	2019
	£	£	£	£	£
Donations					
Additions	-	-	6,225	5,000	25
Total additions					
	-	-	6,225	5,000	25

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

16. Fixed asset investments

Group	Listed investments £
Cost or valuation	
At 1 January 2023	4,009,213
Additions	48,791
Disposals	(48,360)
Revaluations	147,999
At 31 December 2023	<u>4,157,643</u>
Net book value	
At 31 December 2023	<u>4,157,643</u>
At 31 December 2022	<u>4,009,213</u>

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Fixed asset investments (continued)

Company	Investments in subsidiary companies £	Listed investments £	Total £
Cost or valuation			
At 1 January 2023	1	4,009,213	4,009,214
Additions	-	48,791	48,791
Disposals	-	(48,360)	(48,360)
Revaluations	-	147,999	147,999
	<u>1</u>	<u>4,157,643</u>	<u>4,157,644</u>
At 31 December 2023	<u>1</u>	<u>4,157,643</u>	<u>4,157,644</u>
Net book value			
At 31 December 2023	1	4,157,643	4,157,644
At 31 December 2022	<u>1</u>	<u>4,009,213</u>	<u>4,009,214</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
Palace House Trading Limited	10343747	Palace House, Palace Street, Newmarket, Suffolk, CB8 8EP	Retail, restaurant, cafe, and event catering services

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit £	Net assets £
Palace House Trading Limited	199,171	198,007	1,164	297,085

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

17. Stocks

	Group 2023 £	<i>Group 2022 £</i>
Raw materials and consumables	349	-
Finished goods and goods for resale	32,379	30,712
	32,728	30,712

18. Debtors

	Group 2023 £	<i>Group As restated 2022 £</i>	Company 2023 £	<i>Company As restated 2022 £</i>
Due within one year				
Trade debtors	8,113	35,762	2,445	32,317
Amounts owed by group undertakings	-	-	19,787	106,453
Other debtors	20,430	19,901	28,609	23,665
Prepayments and accrued income	67,120	55,717	66,442	54,449
	95,663	111,380	117,283	216,884

19. Creditors: Amounts falling due within one year

	Group 2023 £	<i>Group 2022 £</i>	Company 2023 £	<i>Company 2022 £</i>
Trade creditors	44,812	51,871	36,512	40,295
Other taxation and social security	4,400	12,628	3,914	11,784
Other creditors	152,212	114,006	152,055	114,164
Accruals and deferred income	79,407	41,955	60,047	30,148
	280,831	220,460	252,528	196,391

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

20. Prior year adjustments

In the prior year Racing Foundation grant income of £37,500 was accrued. This income related to the year ended 31 December 2023 year and was therefore recognised prematurely. A prior year adjustment has been made to remove this income from the year ended 31 December 2022, and correctly recognise it in the current year.

The impact of this adjustment is a reduction of income and accrued income in 2022 of £37,500, and an equal reduction in restricted funds carried forward.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

21. Statement of funds

Statement of funds - current year

	As restated Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
Unrestricted funds						
Designated funds						
Mews Project Fund	512,393	-	(11,586)	(500,807)	-	-
Palace House Fund	12,542,677	-	(283,604)	(12,259,073)	-	-
Fixed Asset Fund	-	-	-	13,223,263	-	13,223,263
	13,055,070	-	(295,190)	463,383	-	13,223,263
General funds						
General Funds	770,026	877,748	(985,585)	(440,334)	-	221,855
Total Unrestricted funds	13,825,096	877,748	(1,280,775)	23,049	-	13,445,118
Endowment funds						
HLF Catalyst Endowment Permanent Fund	2,181,047	-	-	-	82,455	2,263,502
The Hon John Lambton Voluntary Settlement Permanent Fund	680,485	-	-	-	25,726	706,211
Jim Joel Legacy Scheme Expendable Fund	29,596	-	-	-	1,119	30,715
Thompson Family Charitable Trust Expendable Fund	477,358	-	-	-	18,047	495,405
The Hon John Lambton Voluntary Settlement Expendable Fund	557,685	-	-	-	21,083	578,768

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

21. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
	3,926,171	-	-	-	148,430	4,074,601
Restricted funds						
Museum Collection Purchases	136,689	-	-	-	-	136,689
Exhibition Donations	27,587	25,127	(15,301)	-	-	37,413
Project Posts Funding	16,630	82,080	(51,897)	-	-	46,813
Education Funds	8,174	42,352	(15,533)	-	-	34,993
Completion of Permanent Galleries	46,928	25,000	(2,267)	(10,468)	-	59,193
National Hunt scheme	5,000	-	-	-	-	5,000
Racing Foundation	12,330	90,500	(67,693)	(12,581)	-	22,556
NLHF	15,742	-	(15,742)	-	-	-
Retraining of Racehorses	-	15,000	(15,000)	-	-	-
	269,080	280,059	(183,433)	(23,049)	-	342,657
Total of funds	18,020,347	1,157,807	(1,464,208)	-	148,430	17,862,376

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

21. Statement of funds (continued)

Designated funds

The designated Palace House and Mews Project funds have historically reflected the net book values of those assets at the reporting date. Expenditure on the Palace House and Mews Projects funds reflects depreciation charged on these assets in the year.

During the year this fund was released and the funds were transferred to a new designated fund, Fixed Asset fund.

The Fixed Asset fund reflects the total net book value of all fixed assets at the reporting date, including heritage assets.

Endowment funds

All capital raised for the Heritage Lottery Fund (HLF Catalyst Endowment Fund) will form a permanent fund.

The Jim Joel Legacy Scheme is an expendable fund relating to endowed income received in 2020 in recognition of Mr Joel's contribution to UK racing. This scheme is sponsored by the Childwick Trust who gave £31,000 to set up the scheme to encourage legacy giving.

The Hon John Lambton Voluntary Settlement Fund and The Thompson Family Charitable Trust Fund are for the long term support of the operation of the Charity.

Income from endowments is recognised within income funds.

Restricted funds

Museum Collection Purchases

Represents amounts received from the Friends of the National Horseracing Museum for the purpose of acquiring items for the permanent collection. £136,689 is represented by heritage assets and is considered to have been fully spent in accordance with the terms of the original restriction.

Exhibition Donations

This fund is for amounts received for expenditure relating to specific exhibitions.

Project Posts Funding

Represents income which has been acquired for a fixed period for the purpose of project development and funding additional employee costs in relation to the project.

Education Funds

Represents monies received to facilitate continued employment of Education Officer, education activities and marketing of the education function.

Completion of Permanent Galleries

Funds received to facilitate works to complete and improve the galleries and visitor experience.

National Hunt Scheme

Grant awarded to help sustain the core activities of the National Hunt gallery.

Racing Foundation

This grant is restricted for use towards the activities and associated costs to deliver the Creative Programme.

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

21. Statement of funds (continued)

NLHF

Grant from the National Lottery Heritage Fund to develop new commercial income.

Retaining of racehorses

Grant monies receivable from Retraining of Racehorses for retaining racehorses' onsite.

Transfers

The BSAT grant carried forward of £10,468 was previously recorded as restricted, however given there are no restrictions in the grant documentation this has been transferred to General Funds.

In 2022, £12,581 of expenditure relating to the creative programme managers salary was incorrectly recorded against General Funds rather than the restricted Racing Foundation grant. A transfer to the General Fund for this amount has been made to correct this.

The Mews Project Fund balance of £500,807 and Palace House Fund balance of £12,259,073 have been transferred to Fixed Asset funds. £278,667 was transferred from unrestricted funds to the Fixed Asset fund representing the heritage assets balance. An additional amount of £184,716 was transferred from unrestricted funds to Fixed Asset fund to agree to the tangible fixed asset fund carried forward.

Statement of funds - prior year

	<i>Balance at 1 January 2022 £</i>	<i>As restated Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>As restated Balance at 31 December 2022 £</i>
Unrestricted funds						
Designated funds						
Palace House Fund	12,828,011	-	(285,334)	-	-	12,542,677
Mews Project Fund	514,511	-	(9,492)	7,374	-	512,393
	<u>13,342,522</u>	<u>-</u>	<u>(294,826)</u>	<u>7,374</u>	<u>-</u>	<u>13,055,070</u>
General funds						
General Funds	601,108	981,312	(1,066,979)	265,175	(10,590)	770,026
Total Unrestricted funds	<u>13,943,630</u>	<u>981,312</u>	<u>(1,361,805)</u>	<u>272,549</u>	<u>(10,590)</u>	<u>13,825,096</u>

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

21. Statement of funds (continued)

Endowment funds

HLF Catalyst Endowment Permanent Fund	2,365,797	77,615	-	(77,615)	(184,750)	2,181,047
The Hon John Lambton Voluntary Settlement Permanent Fund	-	160,655	-	519,830	-	680,485
Jim Joel Legacy Scheme Expendable Fund	31,000	1,017	-	-	(2,421)	29,596
Thompson Family Charitable Trust Expendable Fund	500,000	16,404	-	-	(39,046)	477,358
The Hon John Lambton Voluntary Settlement Expendable Fund	500,000	96,731	-	-	(39,046)	557,685
	<u>3,396,797</u>	<u>352,422</u>	<u>-</u>	<u>442,215</u>	<u>(265,263)</u>	<u>3,926,171</u>

Restricted funds

Museum Collection Purchases	136,689	-	-	-	-	136,689
Exhibition Donations	13,439	36,750	(17,790)	(4,812)	-	27,587
Project Posts Funding	25,938	94,857	(90,490)	(13,675)	-	16,630
Education Funds	30,766	35,414	(35,443)	(22,563)	-	8,174
Completion of Permanent Galleries	181,000	-	(14,431)	(119,641)	-	46,928
National Hunt scheme	-	5,000	-	-	-	5,000

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

21. Statement of funds (continued)

Statement of funds - prior year (continued)

	<i>Balance at 1 January 2022 £</i>	<i>As restated Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 December 2022 £</i>
Racing Foundation	-	37,500	(25,170)	-	-	12,330
NLHF	-	15,742	-	-	-	15,742
Other	7,668	-	(2,324)	(5,344)	-	-
The Hon John Lambton	534,755	-	-	(534,755)	-	-
Covid continuity	17,789	-	(2,324)	(15,465)	-	-
Mews car park - ENTRAST	-	5,972	(7,298)	1,326	-	-
Kickstart	-	23,627	(23,627)	-	-	-
Retraining of Racehorses	-	30,000	(30,000)	-	-	-
	<u>948,044</u>	<u>284,862</u>	<u>(248,897)</u>	<u>(714,929)</u>	<u>-</u>	<u>269,080</u>
Total of funds	<u><u>18,288,471</u></u>	<u><u>1,618,596</u></u>	<u><u>(1,610,702)</u></u>	<u><u>(165)</u></u>	<u><u>(275,853)</u></u>	<u><u>18,020,347</u></u>

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

22. Summary of funds

Summary of funds - current year

	As restated Balance at 1 January 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2023 £
Designated funds	13,055,070	-	(295,190)	463,383	-	13,223,263
General funds	770,026	877,748	(985,585)	(440,334)	-	221,855
Endowment funds	3,926,171	-	-	-	148,430	4,074,601
Restricted funds	269,080	280,059	(183,433)	(23,049)	-	342,657
	18,020,347	1,157,807	(1,464,208)	-	148,430	17,862,376

Summary of funds - prior year

	Balance at 1 January 2022 £	As restated Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 December 2022 £
Designated funds	13,342,522	-	(294,826)	7,374	-	13,055,070
General funds	601,108	981,312	(1,066,979)	265,175	(10,590)	770,026
Endowment funds	3,396,797	352,422	-	442,215	(265,263)	3,926,171
Restricted funds	948,044	284,862	(248,897)	(714,929)	-	269,080
	18,288,471	1,618,596	(1,610,702)	(165)	(275,853)	18,020,347

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	12,944,596	-	-	12,944,596
Fixed asset investments	83,042	-	4,074,601	4,157,643
Heritage assets	141,978	136,689	-	278,667
Current assets	556,333	205,968	-	762,301
Creditors due within one year	(280,831)	-	-	(280,831)
Total	13,445,118	342,657	4,074,601	17,862,376

Analysis of net assets between funds - prior year

	<i>Unrestricted</i> funds 2022 £	<i>As restated</i> <i>Restricted</i> funds 2022 £	<i>Endowment</i> funds 2022 £	<i>Total</i> funds 2022 £
Tangible fixed assets	13,112,422	-	-	13,112,422
Fixed asset investments	83,042	-	3,926,171	4,009,213
Heritage assets	141,978	136,689	-	278,667
Current assets	708,114	132,391	-	840,505
Creditors due within one year	(220,460)	-	-	(220,460)
Total	13,825,096	269,080	3,926,171	18,020,347

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

24. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2023 £	<i>Group As restated 2022 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	(157,971)	(267,959)
Adjustments for:		
Depreciation charges	183,657	317,280
(Gains)/losses on investments	(148,430)	275,853
Investment income	(144,424)	(111,528)
Decrease/(increase) in stocks	(2,016)	617
Decrease in debtors	15,717	78,224
Increase in creditors	60,371	117,201
Net cash provided by/(used in) operating activities	(193,096)	409,688

25. Analysis of cash and cash equivalents

	Group 2023 £	<i>Group 2022 £</i>
Cash at bank and in hand	633,910	698,413
Total cash and cash equivalents	633,910	698,413

26. Analysis of changes in net debt

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	698,413	(64,503)	633,910
	698,413	(64,503)	633,910

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

27. Pension commitments

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The contributions payable by the group at year end are £2,454 (2022: £3,424), which is shown in other creditors.

28. Related party transactions

An independent and separately registered charity exists in connection with the National Horseracing Museum in the name of The Friends of the National Horseracing Museum, (charity registration number 291154). Given its independence the Friends' results are not incorporated within these financial statements.

During the year donations were made by the Friends of the National Horseracing Museum of £Nil (2022: £995).

The Charitable Company is a member of Discover Newmarket, a community interest company (registration number 09362242). During the year income of £17,048 (2022: £12,369) was delivered from this association in the form of admissions and cafe revenue and purchases in the year totalled £36,974 (2022: £Nil). At the year end, a balance of £4,884 (2022: £400) was owed by the group.

With the consent of the Charitable Company, Trustees indemnity insurance has been purchased as a part of the insurance cover of the Charitable Company as a whole and is not separately identified within total insurance costs of £30,367 (2022: £23,956).

During the year the Charitable Company recharged costs of £79,150 (2022: £36,061) to its subsidiary Palace House Trading Ltd. At the year end, a balance of £19,787 (2022: £106,453) owed by the subsidiary was recognised in debtors of the Charitable Company. A further balance of £393,916 (2022: £393,610) owed by the subsidiary has been provided against and has not been recognised in the Charitable Company's debtor balance. During the year there was a management charge totalling £52,270 (2022: £27,300) between the Charitable Company and its subsidiary Palace House Trading Ltd.

Donations from trustees in the year totalled £Nil (2022: £7,450) of which £Nil (2022: £Nil) is within accrued income at the year end.

29. Funds held for third parties

During the year the Group and the Charity received cash of £126,449 (2022: £93,922) on behalf of Presents Galore which is held within the group and the Charity's bank account. Presents Galore is a fundraising event which raises money via a Christmas fair, all proceeds of which are split between the Charity and Cambridge Children's Hospital. At the year end £126,449 (2022: £93,922) was owed to Presents Galore and is included within other creditors in the financial statements.

Accounts



(A Charitable Company limited by guarantee and not having share capital)

Report and Financial Statements

Year Ended 31 December 2022

Charity No: 283656
Company No: 01592031

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Contents

Page:

2	Report of the Trustees
12	Independent Auditor's Report
15	Consolidated Statement of Financial Activities (incorporating the income and expenditure account)
16	Consolidated Balance Sheet
17	Charity Balance Sheet
18	Consolidated Cashflow Statement
19	Notes forming part of the financial statements

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2022

The Trustees of The National Horseracing Museum (hereafter referred to as the Charitable Company) are pleased to present their report together with the financial statements for the year ending 31 December 2022.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Charity Number:	283656
Company Number:	01592031
Registered Office and Operational Address:	Palace House, Palace Street, Newmarket, Suffolk, CB8 8EP
Auditors:	RSM UK Audit LLP, Blenheim House, Newmarket Road, Bury St Edmunds, Suffolk, IP33 3SB
Bankers:	Barclays Bank plc, 58 High Street, Newmarket, Suffolk, CB8 8GL Weatherbys Bank, Sanders Road, Wellingborough, Northants, NN8 4BX
Investment Managers:	Evelyn Partners, 25 Moorgate, London, EC2R 6AY
Museum Director:	Anne-Marie Hogan (until 3 June 2023)
Company Secretary:	Anne-Marie Hogan (until 2 May 2023)

Directors and Trustees

The Directors of the Charitable Company are its Trustees for the purpose of law and throughout this report are collectively referred to as the Trustees.

Hon. Frances Stanley	- Chair
John Chatfeild-Roberts	
Brian Finch	
Sally Goodsir	- resigned 26 January 2023
Annette Green	
Paul Lindsell	
Nicholas Luck	
Paul Taiano	
Richard Fletcher	- resigned 27 October 2022
Ben Hanbury	- resigned 26 January 2023
Lady Jane Grosvenor	
Jonathan Benson	
Adam Signy	- appointed 28 April 2022
Paul Ogburn	- appointed 28 April 2022

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2022 (Continued)

Structure, Governance and Management

The Charitable Company is limited by guarantee and governed by its Memorandum and Articles of Association dated 16 October 1981. Under part 5, Section 60 of the Companies Act 2006, it is exempt from the requirement to use the word limited after its name. It is registered as a charity with the Charity Commission.

The Trustees determine the general policy of the Charitable Company and are elected in accordance with the Memorandum and Articles of Association. The day-to-day management of The National Horseracing Museum (the Museum) is delegated to the Museum senior staff (collectively referred to as the Executive). The National Horseracing Museum is the legal entity responsible for running the Museum at Palace House, Newmarket.

The Trustees are responsible for the preparation of financial statements, ensuring that they give a true and fair view of the results and financial soundness of the Charitable Company.

The Charitable Company has no share capital and is limited by guarantee. Each Trustee is a member of the Charitable Company and is a guarantor who undertakes to contribute to the assets of the Charitable Company, in the event of it being wound up, such amount as may be required, not exceeding £1.

The Trustees delegate authority on all strategic and day-to-day matters to the Executive. However, the following reserved matters require Trustee approval:

- The annual budget
- The annual auditors' report
- Quarterly management accounts
- Capital project expenditure above £100,000
- The annual, five-year Forward Plan, and any subsequent variants of this
- The annually reviewed Risk Register and the associated Risk Management Plan
- The Museum's operational policies
- Changes in the terms of governance
- Staff ex gratia and bonus payments
- Changes to partnership agreements with the site's associated charities.

While new Trustees will be asked to respect the Executive's responsibility for the operation of the Museum, Trustees may also be asked to mentor a senior member of the Museum staff working in an area which corresponds to their own professional expertise.

Appointment of Trustees

Appointment or removal of Trustees is in line with Charity Commission guidelines RS1 and in compliance with the Charitable Company's Trustees Recruitment Policy.

At the Trustees' Board meeting of 29 July 2019, it was agreed that, in order to extend the range of the Board's professional expertise, better reflect our audience, and improve the diversity of Board representation, the Board should regularise the terms of its membership. These new terms are enshrined in the new drafting of the Museum's Memorandum and Articles adopted 6 January 2021.

To summarise these terms, it was agreed that:

- Trustee terms be limited to three years in the first instance, renewable (if both parties are in agreement) for a further three years.
- After six years' service Trustee terms can, by mutual consent of the Chair and the respective Trustee, be renewable annually, to a maximum of nine years' service in total.
- The Chair review the membership of those Trustees who have served more than six years, with a view to effecting an orderly transition from existing to new members.
- The Chair and Board will invite suggestions for new Trustees who can enhance the Board's diversity in terms of age, professional expertise, and socio-economic background.
- The Museum will advertise publicly for new Trustees.

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2022 (*Continued*)

- The Museum will encourage applications for the Board by qualified candidates from visible and invisible minority group members, persons with disabilities, persons across the spectrum of sexual and gender identities, and others with the skill and knowledge to engage with diverse communities.
- The Board's size to be no less than 10 and no more than 14 Trustees.

The Trustees will be asked (i) to ensure that the Museum runs smoothly and effectively by supervising and monitoring the performance of the Museum's operation in accordance with the sector's standards of good practice and the principles of transparency, diversity, equality, and fiscal sustainability and (ii) to assist the Executive to identify, cultivate and harness potential sources of external funding for core projects.

The appointment of Trustees is by proposal according to the skills requirements of the Charitable Company and requires a unanimous positive vote. The recruitment process focussing on the need for all Trustees to come from a variety of backgrounds, personal & experiential; ideally bringing experience in Finance; Higher Education; Museums (Policy/Operations and Collections); Events/Catering; Marketing and the Voluntary Sector.

Representation at Board meetings includes members of the Local Authorities (specifically one observer/attendee each from Suffolk County Council and West Suffolk District Council). To date, there has never been the need to remove a Trustee from office.

Trustees Induction and Training

Upon appointment, Trustees are given advice outlining their role and responsibilities to the Charitable Company. Provision is made for external training of Trustees if necessary.

Related Parties

A separately registered charity exists in connection with the Museum, in the name of The Friends of the National Horseracing Museum (registered charity number 291154). Given its independence hitherto, the Friends' results are not incorporated within these financial statements. The Friends make regular gifts to the Museum in the form of pictures or other artefacts or provide funds to support purchases or other projects in line with the Objectives and Activities outlined in their Constitution. The basic object of the charity as defined with the Charity Commission is '*...the education of the public by promotion, support, assistance and improvement of the National Horseracing Museum through the activity of the group of Friends.*'

During the year donations towards acquisitions to the Museum's collections were received from the Friends to the value of £995 (2021: £4,000).

The National Horseracing Museum holds 100% of the issued share capital of Palace House Trading Limited, a company registered in England and Wales. The principal activities of Palace House Trading are detailed in note 17 to the financial statements.

Pay policy for key management personnel

The Trustees consider that they, along with the Executive, comprise the key management personnel in charge of directing and controlling, running, and operating the Charitable Company on a day-to-day basis. All Trustees give of their time freely, and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 12 and 26 to the accounts.

The pay of the Executive is reviewed annually. In view of the nature of the Charitable Company, the Trustees benchmark pay against levels in other provincial museums of a similar size. We follow Museums Association "Pay in Museums" guidance to ensure fair pay for all. Executive salaries are set by recommendation of the Audit & Performance Committee to the Chair of the Board.

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2022 (Continued)

Risk Management

The Trustees consider that the principal risks faced by the Charitable Company are generating sufficient income on an annual basis, which historically has principally been from grants and donations, to fund its charitable activities and attracting increasing visitor numbers to generate income from attending the Museum and purchasing the goods, services and events provided by the Charitable Company's subsidiary, Palace House Trading Limited.

The Trustees regularly review the financial performance and position of the Museum to ensure that unrestricted working capital is available to support present and future levels of operation, with the longer-term goal of increasing the level of the Museum's Endowment Fund (see also Reserves Policy below) such that it is sufficient to generate a level of income which substantially funds the charitable activities.

The Charitable Company maintains a Risk Register which is reviewed by the Audit and Performance Committee on behalf of the Trustees, to assess major operational and business risks faced by the Charitable Company. It is believed that the appropriate actions are in place to mitigate significant risks.

Objectives and Activities

The National Horseracing Museum was founded to be a world-class museum using our prestigious heritage site, nationally recognised art and heritage collections, special exhibitions, and activities to celebrate the rich history of horseracing in the UK with a special focus on the contribution that Newmarket and surrounding areas has made and continues to make to the growth of a major worldwide sport and industry.

Its purpose, as set out in the Charitable Company's Memorandum of Association, is:

'to promote public interest in the preservation of all articles of historical or scientific interest in connection with racehorses and persons and places connected with racehorses and to enlarge the Museum's network of partnerships within the education, racing industry and museums sectors to mutual benefit and for the benefit of the public.'

Key aims as set out in the Museum's Forward Plan, approved by the Trustees, are:

- To improve and maintain the financial resilience of the organisation via a balanced range of income sources, with emphasis being placed on increasing visitor ticket sales and enhancing income from retail, catering, and hire.
- To create an engaging, accessible and (where possible) externally funded programme of special exhibitions and displays as a prime driver of increased footfall.
- To broaden and diversify the audience for the collections and exhibitions and to ensure the highest possible standards of collections care and documentation according to Museum Accreditation standards.
- To build a strong network of local, regional, national, and international partnerships to enable the organisation to attain its full potential.
- To broaden and diversify the offer across the site through externally sourced investment.
- To promote the Museum through traditional and digital marketing and media channels in order to communicate the changing offer.

THE NATIONAL HORSERACING MUSEUM **(A Charitable Company limited by guarantee and not having share capital)**

Report of the Trustees for the year ended 31 December 2022 (Continued)

Public Benefit

The public benefits principally from the preservation and conservation of this nationally important collection of racing works of art, social history objects, archival documents, and photographs. Members of the public are able to view the exhibitions in person and increasingly, online and to use the research services of the Museum.

The Museum also provides wider social benefit through the provision of greatly improved facilities and services for families and young people and through much improved educational facilities and learning programmes. The organisation works hard to engage the local community beyond the core racing audience. A community outreach programme has integrated the National Horseracing Museum into the life of Newmarket and its diverse communities, as well as those of the surrounding area.

All three elements of the Museum's extensive premises are fully accessible in accordance with the provisions of the Disability Discrimination Acts (1995 & 2005). In addition, displays enhance intellectual access to the Museum in order to attract audiences of all ages and backgrounds to engage with the historical and cultural life of Newmarket, while its education and community outreach programmes support life-long learning both for specialist groups and for general audience alike, thereby contributing to the formal and informal learning offer in the region.

Economic Benefit

The Trustees are aware that the public's opportunity to benefit must not be limited by geographical or other restrictions. Although the Museum is based in Suffolk, visitors come from all over the UK and abroad. As part of other audience development planning, the Trustees discuss the public benefit requirements to ensure the Museum's activities continue to enhance the participation and enjoyment of as many sectors of the public as possible.

The Trustees believe they comply with the duty in Section 4 Chapter 1 of the Charities Act 2011, having due regard to the public benefit guidance published by the Charity Commission.

Achievements and Performance

The Museum started 2022 with the real possibility of future COVID-19 lockdowns. In the event the Museum was able to remain open all year although many visitors were slow to return to visitor attractions due to health concerns. However, with a comprehensive programme of events and special exhibitions 18,601 visitors came through the door and we matched the visitor numbers we achieved in 2019 the last full year of trading pre-pandemic.

We were the recipients of new support from the Arena Racing Foundation and with the donation and sale of three maquettes the Museum was able to end the year with healthy cash and investment balances, which will be key in supporting our expanding programme in 2023. In 2022 NHRM welcomed 1,099 pupils, 174 with English as an additional language, 193 recipients of Pupil Premium and 23 with a disability.

The Museum participated in the nationwide Holiday Activity Fun Programme which took place in July and August supported by the Sir Peter O'Sullivan Trust and West Suffolk County Council. We engaged with over 70 families and 165 children with the activity targeted at children in receipt of free school meals. This programme was extended to include the October half term and Christmas holiday period.

In September, following local research highlighting a gap in the provision and high demand for early learning for nursery age children, we launched Little Horseshoes. Designed and hosted by an experienced Early Years Lead teacher sessions encouraged development across a range of early years milestones and were oversubscribed.

In 2022 we continued to participate in the KickStart scheme which ended in October 2022. This scheme offered young people, aged between 16-24 on Universal Credit and at risk of long-term unemployment, six-month job placements. We hosted six placements between May and October 2022. All those who took part reported huge improvements in their confidence in the workplace and all six of participants secured jobs immediately after leaving us.

THE NATIONAL HORSERACING MUSEUM **(A Charitable Company limited by guarantee and not having share capital)**

Report of the Trustees for the year ended 31 December 2022 (Continued)

Achievements and Performance (Continued)

We are signatories to the Kids in Museums manifesto and a destination for the Children's University in Suffolk. We organise a full programme of creative family activities and trails including free or low-cost events for local families throughout the year. During the school holidays, we provide children in receipt of free school meals with a nutritious lunch through the Suffolk Holiday Activity Programme, funded by West Suffolk and Suffolk Councils. We promote our events through local schools and support networks such as Suffolk Young Carers, Job Centre Plus and Newmarket Community Arts. Our creative family programming has brought in diverse family groups, many of whom have not visited before.

In August we welcomed over 60 Ukrainian refugees and their host families to the museum for guided tours, creative activities and afternoon tea. We have extended our £10 Annual Pass, to include residents within a 15-mile radius, and free entry for stable staff, many of whom are young people from low-income households.

Our volunteering programme has a strong wellbeing element, enabling local people from a range of backgrounds to make connections, learn new skills and develop confidence. We also support volunteers with a range of disabilities and mental health conditions. A number of our volunteers have gone on to employment following their volunteer experience.

We are part of the Newmarket Dementia Alliance, committed to welcoming people with dementia, and work closely with the local dementia café, who have visited. We are also working with Vibrant Communities to reach people living in care homes who may be experiencing isolation – especially as a result of the pandemic. We continue to work with Racing Welfare to reach older people at risk of isolation and we have run a free membership scheme with them and staged joint coffee mornings. In 2022 we completed our work to deliver access to our collection online.

In 2022 we were the recipients of two awards, being awarded runner up in the 2022 Suffolk Museum of the Year Awards in the large museum category and we received the award of Highly Commended for our work on the Suffolk Refugee Project in partnership with Sussex Archives and for work in the community particularly in support of young people. We were also awarded a Visit England Gold Accolade for the second consecutive year.

During 2022 the Museum benefited from National Portfolio Organisation (NPO) status, awarded by Arts Council England (ACE), and from the National Lottery Heritage Fund (NLHF). These two bodies provided support in the form of grant funding. Going forward the Museum was informed in November 2022 that it would be no longer a recipient of Arts Council England funding in the 2023-26 funding programme and as such would lose its NPO status.

The Museum's Collection and Acquisitions

The Museum responds to offers for objects on loan and available for purchase, proactively sourcing loans, and acquisitions in line with its Collections Development Policy, with particular focus on securing long-term material for the displays at the Museum. The Trustees are grateful to all those who have supported the development of the Museum through either gifts or loans to the collections. The Collection Development policy was reviewed and agreed by the Trustees in July 2021.

As part of the Arts Council's Acceptance in Lieu Scheme the Museum was fortunate to receive a painting 'Lord Henniker's grey mare 'Fairy' in a stable by Sir Edwin Landseer (1802-73). This painting is one of a pair with Lord Henniker's bay mare 'Brunette'. The Museum is fortunate to already have 'Brunette' on loan from a private collection and on public display in the Fred Packard galleries of Sporting Art (Palace House). The addition of 'Fairy' will unite these paintings and allow them to be seen together, as originally intended.

The Museum also acquired "The Stewards" Silver Cup" - A George IV silver horseracing trophy and cover. The Cup was made in 1825 by Rebecca Emes and Edward Barnard and is decorated with foliage, acanthus leaves and trailing vines. The cover has a fine, cast, standing horse finial. The centre section is engraved "Northallerton Races 1835 The Duke of Leeds The Hon'ble Col. Arden Stewards". The Cup adds considerably to the Museum's collections relating to racecourses of the past.

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2022 (Continued)

The Museum continues to maintain the standards expected of a 'National' Museum as set out by the Arts Council Registration and Accreditation Schemes and continues to ensure the highest possible standards of collections care and documentation. Full Accreditation is due to be renewed in 2023.

The Trustees remain most grateful for the support received during the year from charitable trusts and foundations, generous private donors, and supporters and in particular the British Sporting Art Trust, the Racing Foundation, Arena Racing Company and the NLHF.

Special Exhibitions

The 2022 special exhibitions programme in the Moller Gallery, Thompson Gallery, and Palace House included:

- Sir Alfred Munnings: In his Own Words in collaboration with BSAT (May-June)
- Time & Motion: Capturing the Lifeblood of a Racing Yard by Jayne Odell (July-December).
- Her Private World by Lucy Kemp Welch (May-October)
- Monarchs and Masters with the Brandler Galleries (November-February 2023)

We intend to further our relationships with national and international exhibition partners in future years and are currently developing plans for online as well as onsite exhibitions.

Discover Newmarket and The Newmarket Business Improvement District (BID)

The Museum has continued to work with the local joint venture Destination Management Organisation, Discover Newmarket (CIC registration number 09362242), to offer tours of the Museum and other horseracing attractions in the area. In 2022, Discover Newmarket organised visits to the Museum that contributed £12,368 to its income.

The Museum is also a subscriber to the Newmarket BID 'Love Newmarket', which aims to see a regeneration of the town's High Street area and its prosperity.

Volunteers

The Management and Trustees are indebted to the volunteers who assisted the Museum during 2022. Our volunteering programme, with participants from a variety of non-traditional volunteering backgrounds, has continued to deliver successful engagement and has maintained a stable level of over 80 regular volunteers. The volunteers contribute enormously to the experience of visitors and provide an increasingly important resource in supporting curatorial work. As is explained in the accounting policy on page 19, no financial value is placed on the services provided by volunteers.

Fundraising

During 2022 the Museum was the grateful recipient of £325,080 from the sale of three maquettes kindly donated by Charlie Langton.

In 2022 the Museum engaged with a private fundraiser to assist with its fundraising activities and confirms that it has not received any complaints concerning its fundraising activities.

Diversity

The Museum is committed to encouraging diversity and eliminating discrimination – both visible and invisible. Our aim is that our approach to working with partners and stakeholders, audiences, and participants as well as our own workforce, should be truly representative of all backgrounds and perspectives.

The Museum remains committed to focusing on the following protected characteristics most relevant to our region, our mission, and our collection, notably: age (both older groups and young people), socio-economic deprivation, disabled visitors, and minority ethnic groups – particularly foreign nationals working within horseracing in Newmarket.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2022 (Continued)

We aim to ensure equality and fairness for all partners, stakeholders, audiences and participants, trustees, members, volunteers, and employees. We will not discriminate because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, ethnic origin, nationality, national origin, religion, belief or sex and sexual orientation, and we oppose all forms of unlawful and unfair discrimination.

Financial Review

The consolidated net income for the year, before transfers and net gains/losses on investments derived from donations, investments and activities designed to generate funds, was £45,394 (2021: £367,254) and net expenditure of £230,459 (2021: £636,823 income) after net gains/losses on investments.

Within total net income we incurred a surplus for the year on unrestricted general funds of £168,918 (2021: £167,554). This is stated after transfers between the designated, restricted and endowment funds of a total of £265,175; comprising £714,764 from the restricted fund (2021: £467,963), £442,215 to (2021: £107,012 from) the endowment fund and £7,374 (2021: £514,511) to the designated fund. This leaves a balance carried forward on group unrestricted funds of £770,026. After deducting the amounts represented by Heritage Assets and Other Tangible Fixed Assets, this leaves a balance of free reserves at group level of £487,654. Free reserves at charity level are £403,758.

The Trustees are pleased that the free reserves at group level of £487,654 exceed their aim of three months of operating costs of approximately £300,000 (for further detail see the reserves policy paragraph). The Museum management team's planning goal will continue to be building the profitability and financial resilience for the medium and long term with less reliance on grants from the National Lottery Heritage Fund.

The overall year-end balance of unrestricted, designated, and restricted funds was £14,131,676 (2021: £14,891,509), excluding endowment fund balances of £3,926,171 (2021: £3,396,797) (see note 23).

A key feature of the Museum's financial structure is its endowment fund. The endowment fund is comprised of permanent endowments of £2,861,532 (2022: £2,365,797) and expendable endowments of £1,064,639 (2022: £1,031,000). Further details on purpose can be found in note 23.

Reserves Policy

In line with guidance published by the Charities Commission, the Trustees are concerned to establish an adequate level of unrestricted reserves to enable the organisation to carry out its charitable objectives and to safeguard its activities in the event of unplanned financial challenges.

The Museum currently holds an endowment fund of £3,926,171, restricted funds for specific purposes of £306,580, designated funds of £13,055,070 and an unrestricted operational fund of £770,026.

The Trustees' policy is to build the endowment fund to such a level that the income from it will be sufficient to cover the core operating costs.

The Trustees' policy with regard to free reserves (funds not tied to fixed assets, designated, or restricted funds) has been to maintain sufficient resources to meet its obligations as they fall due. Mindful of the need to protect the organisation against future financial challenges through either unplanned operational costs, loss of grant income or unexpected reductions in commercial income, the Trustees are pleased that for the first time last year the level of free reserves at group level exceeded its target of three months of operating costs of approximately £300,000. The Museum Executive's planning goal will continue to be building profitability and financial resilience for the medium and long term.

In line with Charities Commission advice, financial performance will be kept under regular review by the Audit and Performance Committee, under delegated authority from the full Board, and will be reviewed annually by the full Board in order to ensure that there is an appropriate balance between monies tied up in free reserves and sums available to be spent for charitable activities.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2022 (Continued)

Future Plans

The Trustees and Executive are working on securing continuity of existing grants and seeking new sources of income to establish long term financial equilibrium in the Museum's day-to-day activities through:

- re-energising its fundraising activity and appointing a professional fund-raiser to focus on securing new endowments with the long-term objective of delivering an endowment fund in excess of £10 million;
- ensuring that all expectations of the principal grant-making bodies are met by their review dates, ensuring these income streams, are secure;
- continuing to engage with the horse racing industry with new initiatives to attract visitors; including hosting horse racing's "Hall of Fame" with its international appeal and developing an industry wide members reward package for Museum members;
- strengthening the Executive and Trustee board notably in areas of marketing and retail to drive visitor numbers and trading income.

Investment Policy

Management of the Charitable Company's investment portfolio is delegated by the Trustees to Evelyn Partners, who advise the Trustees on investment performance. The investment advisors are given the freedom they need to achieve the best results practicable in the circumstances without specific constraints on such matters as social, ethical, or environmental considerations.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for at least the next 12 months. For this reason, they continue to adopt the going concern basis in preparing the Charitable Company's financial statements. Full details of the Trustees' reasoning for the adoption of the going concern basis are included in the going concern note in the accounting policies section of the financial statements.

Trustees' Responsibilities for the Financial Statements

Charity law and company law both require the Trustees (who also act as Directors for the purposes of company law) to prepare for each financial year financial statements which give a true and fair view of the state of affairs of the Group and the Charitable Company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees are required to follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Charitable Company will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Charitable 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 Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2022 (Continued)

Auditors

A resolution to reappoint RSM UK Audit LLP, Chartered Accountants, as auditors will be put to the Trustees at the Annual General Meeting.

Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware:

- there is no relevant audit information of which the auditors are unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the Trustees on 30th October 2023

 Frances Stanley

.....
Hon. Frances Stanley (Chair of Trustees)

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Independent Auditor's Report to the Members and Trustees of The National Horseracing Museum

Opinion

We have audited the financial statements of The National Horseracing Museum (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities incorporating the Income and Expenditure Account, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 the parent charitable company's affairs as at 31 December 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 and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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.

Other information

The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. 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.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Independent Auditor's Report to the Members and Trustees of The National Horseracing Museum
(Continued)

Opinions 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 Report of the Trustees, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, 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;
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 10, 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 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Independent Auditor's Report to the Members and Trustees of The National Horseracing Museum (Continued)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected, or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Trustees, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and inquiring of management whether the company is in compliance with these law and regulations.

The group audit engagement team identified the risk of management override of controls and the completeness of income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business, and performing tests of detail in relation to completeness of income.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Sutherland

CLAIRE SUTHERLAND (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB
Date 30 October 2023

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Consolidated Statement of Financial Activities incorporating the Income and Expenditure Account for the year ended 31 December 2022

	Note	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2022 £	Total 2021 £
Income from:							
Donations and legacies	3	608,171	-	322,362	240,983	1,171,516	1,205,065
Charitable activities	4	179,356	-	-	-	179,356	137,177
Other trading activities	5	181,696	-	-	-	181,696	110,387
Investments	2	89	-	-	111,439	111,528	107,050
Other income	6	12,000	-	-	-	12,000	252,290
Total income		981,312	-	322,362	352,422	1,656,096	1,811,969
Expenditure on:							
Raising funds	7	194,224	-	3,572	-	197,796	202,735
Charitable activities	8	872,755	294,826	245,325	-	1,412,906	1,241,980
Total expenditure		1,066,979	294,826	248,897	-	1,610,702	1,444,715
Net (losses)/gains on investments	16	(10,590)	-	-	(265,263)	(275,853)	269,569
Net (expenditure)/income		(96,257)	(294,826)	73,465	87,159	(230,459)	636,823
Transfers between funds	23/25	265,175	7,374	(714,764)	442,215	-	-
Net movement in funds		168,918	(287,452)	(641,299)	529,374	(230,459)	636,823
Reconciliation of funds:							
Fund balances brought forward	23/25	601,108	13,342,522	947,879	3,396,797	18,288,306	17,651,483
Fund balances carried forward	23/25	770,026	13,055,070	306,580	3,926,171	18,057,847	18,288,306

All recognised gains and losses are included within the above statement. All amounts relate to continuing activities.

The notes on pages 19 to 37 form part of these financial statements.

Consolidated Balance Sheet at 31 December 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible fixed assets	13	13,112,422	13,394,000
Heritage assets	15	278,667	278,667
Investments	16	4,009,213	2,935,472
Total fixed assets		17,400,302	16,608,139
Current assets			
Stocks	18	30,712	31,329
Debtors	19	148,880	189,604
Cash at bank and in hand		698,413	1,562,493
Total current assets		878,005	1,783,426
Liabilities			
Creditors falling due within one year	20	(220,460)	(103,259)
Net current assets		657,545	1,680,167
Net assets		18,057,847	18,288,306
The funds of the group:			
Unrestricted funds			
General fund	23	770,026	601,108
Designated Palace House fund	23	12,542,677	12,828,011
Designated Mews Project fund	23	512,393	514,511
Restricted funds	25	306,580	947,879
Endowment funds	23	3,926,171	3,396,797
Total group funds		18,057,847	18,288,306

The financial statements on pages 15 to 37 were approved by the Trustees and authorised for issue on 30th October 2023



Frances Stanley

..... Hon. Frances Stanley (Chair of Trustees)

A J Green

.....Annette Green (Trustee)

Charity Balance Sheet at 31 December 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible fixed assets	14	13,100,954	13,380,774
Heritage assets	15	278,667	278,667
Investments	16	4,009,214	2,935,473
Total fixed assets		17,388,835	16,594,914
Current assets			
Stocks	18	-	-
Debtors	19	254,384	205,848
Cash at bank and in hand		515,656	1,434,896
Total current assets		770,040	1,640,744
Liabilities			
Creditors falling due within one year	20	(196,391)	(84,576)
Net current assets		573,649	1,556,168
Net assets		17,962,484	18,151,082
The funds of the charity:			
Unrestricted funds			
General fund	24	674,663	463,884
Designated Palace House fund	24	12,542,677	12,828,011
Designated Mews Project fund	24	512,393	514,511
Restricted funds	25	306,580	947,879
Endowment funds	24	3,926,171	3,396,797
Total charity funds		17,962,484	18,151,082

As permitted by s408 Companies Act 2006, the Charity has not presented its own profit and loss account and related notes as it prepares group accounts. The Charity's deficit for the year was £188,598 (2021: £663,366 surplus).

The financial statements on pages 15 to 37 were approved by the Trustees and authorised for issue on 30th October



Frances Stanley

Hon. Frances Stanley (Chair of Trustees)

A J Green

Annette Green (Trustee)

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Consolidated Cash flow statement for the year ended 31 December 2022

	Note	2022 £	2021 £
Net cash provided by operating activities	a	409,688	634,567
Cash flows from investing activities			
Interest income		89	38
Investment income		111,439	107,012
Movement in investment cash		(30,066)	4,299
Purchase of investments		(2,334,629)	(250,006)
Purchase of tangible fixed assets		(35,702)	(493,939)
Purchase of heritage assets		-	(6,225)
Proceeds on disposal of investments		1,015,101	240,971
Cash used in investing activities		(1,273,768)	(397,850)
(Decrease)/increase in cash and cash equivalents in year		(864,080)	236,717
Cash and cash equivalents at the beginning of the year		1,562,493	1,325,776
Cash and cash equivalents at the end of the year	b	698,413	1,562,493
Relating to:			
Cash at bank and in hand		698,413	1,562,493

Note a. Reconciliation of net movement in funds to net cash inflow from operating activities

	2022 £	2021 £
Net (expenditure)/income for the year	(230,459)	636,823
Depreciation charge	317,280	307,586
Loss on disposal of tangible fixed assets	-	17,259
Investment losses/(gains)	275,853	(269,569)
Investment income	(111,528)	(107,050)
Decrease in stock	617	19,326
Decrease in debtors	40,724	52,121
Increase/(decrease) in creditors	117,201	(21,929)
Net cash provided by operating activities	409,688	634,567

Note b. Analysis of changes in net funds

	1 January 2022 £	Cash flow £	31 December 2022 £
GROUP – Cash at bank and in hand	1,562,493	(864,080)	698,413

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022

ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The National Horseracing Museum is a Charitable Company limited by guarantee, incorporated in England and Wales which 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 notes.

The financial statements are prepared in sterling, which is the functional currency of the Charitable Company. Monetary amounts in these financial statements are rounded to the nearest £.

Basis of consolidation

The consolidated financial statements incorporate the accounts of the Charitable Company and those of its trading subsidiary, Palace House Trading Ltd, for the year ended 31 December 2022 on a line-by-line basis. A separate Statement of Financial Activity (SOFA) is not presented because the Charitable Company has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

The Charitable Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this Charitable Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The Charitable Company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;

Going concern

The group finances its day-to-day operations primarily from grants and donations. The Trustees have prepared forecasts and projections through to 31 December 2024 based on a number of potential scenarios. And after reviewing these forecasts and projections, with the back-up of an expendable endowment, which can be utilised to meet any shortfall in forecast income, at the time of approving these financial statements, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for at least the next 12 months. The Trustees therefore consider it appropriate to continue to adopt the going concern basis in preparing the group's financial statements.

Income

All grants, donations and income from charitable activities are recognised when the Charitable Company is legally entitled to the income and the amount can be quantified with reasonable probability. Income is only deferred when admission fees or other income are received in advance.

Income from other trading activities is recognised as earned when the related goods and services are provided.

Investment income is recognised on a receivable basis.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 (Continued)

1 ACCOUNTING POLICIES (Continued)

Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated in these financial statements. Their valuable contribution is recognised in the Report of the Trustees.

There are no donated services or facilities to recognise in these financial statements. If services are provided to the Charitable Company as a donation that would normally be purchased from suppliers, these will be included in the financial statements at an estimate of the value of the contribution to the Charitable Company.

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods and services when supplied or when a constructive obligation arises which results in the payment being unavoidable.

- Costs of raising funds are those costs incurred in running the Museum Café, Gift Shop, Tours and Fundraising Events and, in these consolidated accounts, include the costs incurred by the trading subsidiary.
- Charitable activities relate to the costs of running of the Museum.
- Support costs have been allocated to the relevant activity cost categories on a basis consistent with the use of those resources. This has been via an estimated percentage by the Trustees where it is not practical to identify actual costs.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to that category. The Charitable Company is partially culturally exempt, and irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Museum collections heritage assets

The collection consists of historic assets associated with horseracing. The value shown in the accounts is that of purchases added to the collection over a period of years. No value has been attributed to donated items added to the collection prior to 2005.

The Trustees consider that the historic nature of the collections, which is displayed in the National Horseracing Museum in furtherance of the Charitable Company's objects, is such that it is not appropriate to place a value on the entire collection, as the significant cost involved would be onerous compared with the additional benefit derived by the users of the financial statements.

No provision is made for diminution in value of the Museum collections, as in the opinion of the Trustees its value is maintained.

Tangible fixed assets and depreciation

Tangible fixed assets (those items purchased costing in excess of £350) are stated at cost, less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset on a straight-line basis, over its expected life as follows:

Leasehold property	- over 50 years
Computer equipment	- over 3 years
Other equipment/fixtures, fittings, furniture	- over 5 years
Motor vehicles	- over 5 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were the age and in the condition expected at the end of its useful life.

Tangible fixed assets are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in the net movement in funds.

Investments

Listed fixed asset investments are included in the balance sheet at their bid valuation, as advised by the Investment Managers, adjusted for impairment in value. Realised and unrealised gains or losses from the respective sale and revaluation of investments are separately identified in the Statement of Financial Activities.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 (*Continued*)

1 ACCOUNTING POLICIES (*Continued*)

Investment in subsidiary

In the separate accounts of the Charitable Company, the interest in the subsidiary is initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

The interest in the subsidiary is assessed for impairment at each reporting date. Any impairment loss or reversal of impairment losses are recognised immediately in the net movement in funds.

Stock

Stock, being goods held for resale, is stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in first out basis. Net realisable value is based on estimated selling price.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price is recognised as an impairment loss in profit or loss.

Operating leases

Rental expenditure applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Financial instruments

The Charitable Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Charitable Company becomes a party to the contractual provisions of the instrument.

Financial assets

Basic financial assets including trade and other receivables are initially measured at transaction price (including transaction costs) and are subsequently carried at amortised cost using the effective interest method.

Financial instruments at fair value

Trade investments

Trade investments are equity investments over which the Charitable Company has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred. Trade investments are measured at fair value through profit or loss or cost less impairment if fair value cannot be measured reliably.

The fair value of trade investments quoted on a recognised stock exchange is the quoted bid price.

Financial liabilities

Basic financial liabilities, including trade and other payables are recognised at transaction price. Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities where payment is due within one year or less. If not, they are presented as creditors due after more than one year. Trade and other payables are subsequently measured at amortised cost.

Pensions

The Charitable Company contributes to the personal pension plans of certain employees. The cost is charged to the income and expenditure account as contributions fall due.

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments. The contributions payable by the group at year end are £3,424 (2021: £3,194), which is shown in other creditors.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 (*Continued*)

1 ACCOUNTING POLICIES (*Continued*)

Taxation

The Charitable Company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Fund accounting

The Charitable Company maintains various types of funds as follows:

Endowment funds

The HLF Catalyst endowment fund represents monies raised to establish a permanent endowment fund which will continue in perpetuity and only investment income from the endowment fund may be drawn upon for transfer to the General Fund. The expendable endowment fund relates to funds received to support any shortfall in income or exceptional costs.

Restricted funds

The restricted funds represent monies received to fund specific activities and to purchase certain items for the collection as set out in note 25 of the financial statements.

Unrestricted funds

General unrestricted funds represent monies which are expendable at the discretion of the Trustees in the furtherance of the objects of the Charitable Company. Such funds may be held in order to finance both working capital and capital investment.

Designated funds

The designated funds represent amounts which have been put aside out of unrestricted funds at the discretion of the Trustees, as set out in note 23 of the financial statements.

Legal status of the Charitable Company

The Charitable Company has no share capital but is limited by guarantee. Every member of the Charitable Company is a guarantor and undertakes to contribute such amounts as may be required to the assets of the Charitable Company in the event of it being wound up. Each guarantor's liability is limited to £1.

Critical accounting estimates and areas of judgements

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 circumstance.

Critical accounting estimates and assumptions

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The carrying value of the Museum's collection of heritage assets is held at cost and not depreciated. In concluding that these assets are not impaired management makes estimates as to the current value of the assets and their value in use.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 *(Continued)*

1 ACCOUNTING POLICIES *(Continued)*

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Charitable Company as lessee.

The Charitable Company accounts for depreciation on leasehold property in accordance with FRS 102. Properties are depreciated over their estimated useful life, taking into account any residual value. Judgements are made on the residual values and estimated useful live of the assets which are regularly reviewed. The Trustees have taken the decision to hold the leasehold property in a separate designated fixed asset fund.

2 INVESTMENT INCOME

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	2022 £	2021 £
Listed investments	-	-	-	111,439	111,439	107,012
Bank deposits	89	-	-	-	89	38
	<u>89</u>	<u>-</u>	<u>-</u>	<u>111,439</u>	<u>111,528</u>	<u>107,050</u>

3 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	2022 £	2021 £
Donations	608,171	-	332,362	240,983	1,171,516	1,205,065
	<u>608,171</u>	<u>-</u>	<u>332,362</u>	<u>240,983</u>	<u>1,171,516</u>	<u>1,205,065</u>

Details on the contribution of volunteers to the Charitable Company have been included within the Report of the Trustees, on page 8.

4 INCOME FROM CHARITABLE ACTIVITIES

	2022 £	2021 £
Unrestricted income		
Admissions	154,869	104,500
Other income	24,487	32,677
	<u>179,356</u>	<u>137,177</u>

5 INCOME FROM OTHER TRADING OPERATIONS

	2022 £	2021 £
Fundraising activities and shop	30,222	8,625
Palace House Trading	151,474	101,762
	<u>181,696</u>	<u>110,387</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 *(Continued)*

6 OTHER INCOME

	2022 £	2021 £
Government Coronavirus Job Retention Scheme	-	73,894
Government Local Restrictions Support Scheme	12,000	178,396
	<u>12,000</u>	<u>252,290</u>

There are no unfulfilled conditions or other contingencies attaching to government grants received.

7 ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Other activities	519	-	-	-	519	1,268
Fundraising activities and events	11,516	-	3,572	-	15,088	11,251
Support costs	16,086	-	-	-	16,086	11,289
Palace House Trading	166,103	-	-	-	166,103	178,927
	<u>194,224</u>	<u>-</u>	<u>3,572</u>	<u>-</u>	<u>197,796</u>	<u>202,735</u>

8 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Practical gallery wages	18,970	-	-	-	18,970	15,455
Exhibition and conservation costs	36,696	-	8,767	-	45,463	31,360
Support costs	817,089	294,826	236,558	-	1,348,473	1,195,165
	<u>872,755</u>	<u>294,826</u>	<u>245,325</u>	<u>-</u>	<u>1,412,906</u>	<u>1,241,980</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 *(Continued)*

9 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

The Charitable Group allocates its support and governance costs as shown below. Support and governance costs are allocated on a basis consistent with the use of resources.

Support cost	Raising funds £	Charitable activities £	Total 2022 £	Total 2021 £
Wages and salaries	-	559,954	559,954	554,007
Property costs	2,310	223,373	225,683	149,904
Depreciation and loss on disposal	3,455	309,621	313,076	322,912
Advertising and publicity costs	657	39,419	40,076	33,996
Administration costs	9,664	216,106	225,770	145,635
	<u>16,086</u>	<u>1,348,473</u>	<u>1,364,559</u>	<u>1,206,454</u>

10 MOVEMENT IN TOTAL FUNDS FOR THE YEAR

	2022 £	2021 £
This is stated after charging/(crediting):		
Auditor's remuneration: - statutory audit of charity	19,050	16,995
- statutory audit of subsidiary	3,450	3,100
Accountancy services	4,525	4,375
Tax advisory services	1,735	1,285
Depreciation of tangible fixed assets	317,280	307,586
Loss on disposal of tangible fixed assets	-	17,259
Operating lease rentals – plant & machinery	10,050	6,992
	<u></u>	<u></u>

11 STAFF NUMBERS

	2022 Number	2021 Number
Administration	14	15
Visitor Services/Retail	21	22
	<u>35</u>	<u>37</u>

The above employee numbers include part-time staff. An estimate of the average number of full-time equivalent employees is 16 (2021: 21).

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 *(Continued)*

12 STAFF COSTS, TRUSTEE REMUNERATION AND THE COST OF KEY MANAGEMENT PERSONNEL

	2022 £	2021 £
Wages and salaries	561,949	546,087
Social security costs	39,476	31,684
Pension costs	21,544	20,678
	<u>622,969</u>	<u>598,449</u>

The number of employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2022 Number	2021 Number
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-
	<u>1</u>	<u>-</u>

The Trustees of the Museum were not paid and did not receive any other benefits from employment with the Museum in the year (2021: £Nil). Reimbursed expenses for specific travel, accommodation and reimbursement of sundry expenses personally and properly incurred on behalf of the Museum during the year were £377 (2021: £155). None of the Trustees received payment for professional or other services supplied to the Charitable Group (2021: £Nil).

The key management personnel of the Museum comprise the Museum Director and the Packard Curator. The total employee remuneration, benefits, and employer costs of the key management personnel of the Charitable Group were £135,241 (2021: £124,800).

13 TANGIBLE FIXED ASSETS (GROUP)

	Land & Buildings £	Equipment Fixtures Fittings & Furniture £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 January 2022	14,726,282	235,923	20,733	14,982,938
Additions	20,738	14,964	-	35,702
At 31 December 2022	<u>14,747,020</u>	<u>250,887</u>	<u>20,733</u>	<u>15,018,640</u>
<i>Depreciation</i>				
At 1 January 2022	1,425,335	142,912	20,691	1,588,938
Charge for the year	294,826	22,412	42	317,280
At 31 December 2022	<u>1,720,161</u>	<u>165,324</u>	<u>20,733</u>	<u>1,906,218</u>
<i>Carrying value</i>				
At 31 December 2022	<u>13,026,859</u>	<u>85,563</u>	<u>-</u>	<u>13,112,422</u>
At 31 December 2021	<u>13,300,947</u>	<u>93,011</u>	<u>42</u>	<u>13,394,000</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 *(Continued)*

14 TANGIBLE FIXED ASSETS (CHARITY)

	Land & Buildings £	Equipment Fixtures Fittings & Furniture £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 January 2022	14,726,282	208,995	20,734	14,956,011
Additions	20,738	12,809	-	33,547
At 31 December 2022	14,747,020	221,804	20,734	14,989,558
<i>Depreciation</i>				
At 1 January 2022	1,425,335	129,211	20,691	1,575,237
Charge for the year	294,826	18,498	43	313,367
At 31 December 2022	1,720,161	147,709	20,734	1,888,604
<i>Carrying value</i>				
At 31 December 2022	13,026,859	74,095	-	13,100,954
At 31 December 2021	13,300,947	79,784	43	13,380,774

15 HERITAGE ASSETS (CHARITY AND GROUP)

	2018 £	2019 £	2020 £	2021 £	2022 £
<i>Cost</i>					
1 January 2022	264,917	267,417	267,442	272,442	278,667
Additions	2,500	25	5,000	6,225	-
31 December 2022	267,417	267,442	272,442	278,667	278,667

During the year, there were recognised additions of £nil (2021: £6,225) donated by the Friends of the National Horseracing Museum.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 *(Continued)*

16 FIXED ASSETS INVESTMENTS (CHARITY AND GROUP)

	Shares in subsidiary	Investment Portfolio	2022	2021
	£	£	£	£
Market value 1 January 2022	1	2,911,193	2,911,194	2,632,590
Additions	-	2,334,629	2,334,629	250,006
Disposal proceeds	-	(1,015,101)	(1,015,101)	(240,971)
Realised and unrealised investment losses)/gains	-	(275,853)	(275,853)	269,569
Market value				
31 December 2022	1	3,954,868	3,954,869	2,911,194
Cash	-	54,345	54,345	24,279
Total investments at 31 December 2022	1	4,009,213	4,009,214	2,935,473
Group	-	4,009,213	4,009,213	2,935,472
Charity	1	4,009,213	4,009,214	2,935,473
Historical cost of investments held at 31 December 2022				
Group	-	3,825,906	3,825,906	2,572,729
Charity	1	3,825,906	3,825,907	2,572,730

17 INVESTMENT IN SUBSIDIARY – CHARITY

Cost at 1 January and 31 December 2022	£ 1
--	----------------------

The following was a subsidiary undertaking throughout the year and has been included in the consolidated financial statements:

Name of undertaking	Registered office	Class of shareholding	Proportion of nominal value held directly	Nature of business
Palace House Trading Limited (10343747)	Palace House, Palace Street, Newmarket, Suffolk CB8 8EP	Ordinary	100%	Retail, restaurant, café, and event catering services

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 *(Continued)*

17 INVESTMENT IN SUBSIDIARY – CHARITY (CONTINUED)

Financial statements of the company will be filed with the Registrar of Companies. The company's results for the year ended 31 December 2022 are shown below:

	2022	2021
	£	£
Turnover	151,474	101,762
Cost of sales	(60,700)	(62,873)
Gross profit	90,774	38,889
Administrative expenses	(132,703)	(116,054)
Other operating income	-	50,583
Interest receivable	68	38
(Loss)/profit before taxation	(41,861)	(26,544)
Tangible fixed assets	11,468	13,226
Current assets	218,181	163,017
Current liabilities	(527,896)	(432,629)
Net liabilities and reserves	(298,247)	(256,386)

18 STOCK

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Goods held for resale	30,712	31,329	-	-

During the year, an impairment loss of £nil (2021 - £19,000) was recognised. No earlier stock write-downs have been reversed during the current, or preceding, period.

19 DEBTORS

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	35,762	4,497	32,317	2,693
Amounts owed by subsidiary	-	-	106,453	15,424
Other debtors	19,901	30,617	23,665	35,528
Prepayments and accrued income	93,217	154,490	91,949	152,203
	148,880	189,604	254,384	205,848

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 *(Continued)*

20 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	51,871	33,610	40,295	26,816
Other creditors	114,006	19,851	113,775	19,728
Other taxes and social security	12,628	12,781	11,784	12,311
Accruals and deferred income	41,955	37,017	30,537	25,721
	<u>220,460</u>	<u>103,259</u>	<u>196,391</u>	<u>84,576</u>

21 GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Heritage Assets £	Other tangible fixed assets £	Investments £	Net current assets £	Total 2022 £
General fund	141,978	57,352	83,042	487,654	770,026
Designated funds	-	13,055,070	-	-	13,055,070
Restricted funds	136,689	-	-	169,891	306,580
Endowment fund	-	-	3,926,171	-	3,926,171
	<u>278,667</u>	<u>13,112,422</u>	<u>4,009,213</u>	<u>657,545</u>	<u>18,057,847</u>

Prior year -

	Heritage Assets £	Other tangible fixed assets £	Investments £	Net current assets £	Total 2021 £
General fund	141,978	51,478	-	407,652	601,108
Designated funds	-	13,342,522	-	-	13,342,522
Restricted funds	136,689	-	555,840	255,350	947,879
Endowment fund	-	-	2,379,632	1,017,165	3,396,797
	<u>278,667</u>	<u>13,394,000</u>	<u>2,935,472</u>	<u>1,680,167</u>	<u>18,288,306</u>

22 CHARITY ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Heritage Assets £	Other tangible fixed assets £	Investments £	Net current assets £	Total 2022 £
General fund	141,978	45,884	83,043	403,758	674,663
Designated funds	-	13,055,070	-	-	13,055,070
Restricted funds	136,689	-	-	169,891	306,580
Endowment fund	-	-	3,926,171	-	3,926,171
	<u>278,667</u>	<u>13,100,954</u>	<u>4,009,214</u>	<u>573,649</u>	<u>17,962,484</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 *(Continued)*

22 CHARITY ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

Prior year –

	Heritage Assets £	Other tangible fixed assets £	Investments £	Net current assets £	Total 2021 £
General fund	141,978	38,252	-	283,654	463,884
Designated funds	-	13,342,522	-	-	13,342,522
Restricted funds	136,689	-	555,841	255,349	947,879
Endowment fund	-	-	2,379,632	1,017,165	3,396,797
	<u>278,667</u>	<u>13,380,774</u>	<u>2,935,473</u>	<u>1,556,168</u>	<u>18,151,082</u>

23 GROUP ANALYSIS OF MOVEMENTS IN UNRESTRICTED, DESIGNATED AND ENDOWMENT FUNDS

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers £	Investment (losses) £	Balance at 31 December 2022 £
General fund	<u>601,108</u>	<u>981,312</u>	<u>(1,066,979)</u>	<u>265,175</u>	<u>(10,590)</u>	<u>770,026</u>
Designated funds:						
Palace House fund	12,828,011	-	(285,334)	-	-	12,542,677
Mews Project fund	514,511	-	(9,492)	7,374	-	512,393
	<u>13,342,522</u>	<u>-</u>	<u>(294,826)</u>	<u>7,374</u>	<u>-</u>	<u>13,055,070</u>
Endowment funds:						
<u>Permanent endowment</u>						
HLF Catalyst Endowment Fund	2,365,797	77,615	-	(77,615)	(184,750)	2,181,047
The Hon John Lambton Voluntary Settlement	-	160,655	-	519,830	-	680,485
<u>Expendable endowment</u>						
Jim Joel Legacy Scheme	31,000	1,017	-	-	(2,421)	29,596
Thompson Family Charitable Trust	500,000	16,404	-	-	(39,046)	477,358
The Hon John Lambton Voluntary Settlement	500,000	96,731	-	-	(39,046)	557,685
	<u>3,396,797</u>	<u>352,422</u>	<u>-</u>	<u>442,215</u>	<u>(265,263)</u>	<u>3,926,171</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 *(Continued)*

23 GROUP ANALYSIS OF MOVEMENTS IN UNRESTRICTED, DESIGNATED AND ENDOWMENT FUNDS
(CONTINUED)

Prior year –

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Investment gains £	Balance at 31 December 2021 £
General fund	433,554	1,046,002	(938,912)	60,464	-	601,108
Designated funds:						
Palace House fund	13,113,078	-	(285,067)	-	-	12,828,011
Mews Project fund	-	-	-	514,511	-	514,511
	13,113,078	-	(285,067)	514,511	-	13,342,522
Endowment funds:						
HLF Catalyst						
Endowment Fund	2,158,215	107,012	-	(107,012)	207,582	2,365,797
Expendable						
endowment	500,000	-	-	-	-	500,000
Jim Joel Legacy						
Scheme	31,000	-	-	-	-	31,000
Thompson Family						
Charitable Trust	-	500,000	-	-	-	500,000
	2,689,215	607,012	-	(107,012)	207,582	3,396,797
	16,235,847	1,653,014	(1,223,979)	467,963	207,582	17,340,427

The designated Palace House and Mews Project funds reflect the net book values of those assets at the reporting date. Transfers into the Mews Project fund reflect the capital spend on those assets, funded by both restricted and unrestricted funds. Expenditure on the Palace House and the Mews Project fund reflects depreciation charged on these assets in the year.

All capital raised for the Heritage Lottery Fund Endowment Fund will form a permanent fund. The investment income of £77,615 (2021: £107,012) derived from this fund is eligible for transfer to the General Fund and was so transferred.

The Jim Joel Legacy Scheme relates to endowed income received in 2020 in recognition of Mr Joel's contribution to UK racing – this scheme, sponsored by the Childwick Trust who gave £31,000 to set up the scheme to encourage legacy giving.

The Thompson Family Charitable Trust Funds and The Hon John Lambton Voluntary Settlement Fund are for the long term support of the operation of the Charity.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 (Continued)

24 CHARITY ANALYSIS OF MOVEMENTS IN UNRESTRICTED, DESIGNATED AND ENDOWMENT FUNDS

	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers £	Investment (losses) £	Balance at 31 December 2022 £
General fund	463,884	857,070	(900,876)	265,175	(10,590)	647,663
Designated funds:						
Palace House fund	12,828,011	-	(285,334)	-	-	12,542,677
Mews Project fund	514,511	-	(9,492)	7,374	-	512,393
	13,342,522	-	(294,826)	7,374	-	13,055,070
Endowment funds:						
<u>Permanent endowment</u>						
HLF Catalyst Endowment Fund	2,365,797	77,615	-	(77,615)	(184,750)	2,181,047
John Lambton		160,655	-	519,830	-	680,485
<u>Expendable endowment</u>						
The Hon John Lambton Voluntary Settlement	500,000	96,731	-	-	(39,046)	557,685
Jim Joel Legacy Scheme	31,000	1,017	-	-	(2,421)	29,596
Long-term operational support	500,000	16,404	-	-	(39,046)	477,358
	3,396,797	352,422	-	442,215	(265,263)	3,926,171
Prior year –						
	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Investment gains £	Balance at 31 December 2021 £
General fund	269,787	921,099	(787,466)	60,464	-	463,884
Designated funds:						
Palace House fund	13,113,078	-	(285,067)	-	-	12,828,011
Mews Project fund	-	-	-	514,511	-	514,511
	13,113,078	-	(285,067)	514,511	-	13,342,522
Endowment funds:						
HLF Catalyst Endowment Fund	2,158,215	107,012	-	(107,012)	207,582	2,365,797
Expendable endowment	500,000	-	-	-	-	500,000
Jim Joel Legacy Scheme	31,000	-	-	-	-	31,000
Long-term operational support	-	500,000	-	-	-	500,000
	2,689,215	607,012	-	(107,012)	207,582	3,396,797
	16,072,080	1,528,111	(1,072,533)	467,963	207,582	17,203,203

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 (Continued)

24 CHARITY ANALYSIS OF MOVEMENTS IN UNRESTRICTED, DESIGNATED AND ENDOWMENT FUNDS (CONTINUED)

The designated Palace House and Mews Project funds reflect the net book values of those assets at the reporting date and includes £41,575 of equipment installed during the refurbishment. Transfers into the Mews Project fund reflect the capital spend on those assets, funded by both restricted and unrestricted funds. Expenditure on the Palace House and the Mews Project fund reflects depreciation charged on these assets in the year.

All capital raised for the Heritage Lottery Fund Endowment Fund will form a permanent fund. The investment income of £77,615 (2021: £107,012) derived from this fund is eligible for transfer to the General Fund and was so transferred.

The Jim Joel Legacy Scheme relates to endowed income received in 2020 in recognition of Mr Joel's contribution to UK racing – this scheme, sponsored by the Childwick Trust who gave £31,000 to set up the scheme to encourage legacy giving.

The Thompson Family Charitable Trust funds and The Hon John Lambton Voluntary Settlement Funds are for the long term support of the operation of the Charity.

25 ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS

Charity and Group	Balance at 1 January 2022 £	Income £	Expenditure £	Transfers £	Investment gains £	Balance at 31 December 2022 £
Museum Collection	136,689	-	-	-	-	136,689
Purchases						
Exhibition Donations	13,439	36,750	(17,790)	(4,812)	-	27,587
Project Posts Funding	25,938	94,857	(90,490)	(13,675)	-	16,630
Education Funds	30,766	35,414	(35,443)	(22,563)	-	8,174
Other	7,668	-	(2,324)	(5,344)	-	-
HLF Resilience	(165)	-	-	165	-	-
Completion of Permanent Galleries	181,000	-	(14,431)	(119,641)	-	46,928
The Hon John Lambton Voluntary Settlement	534,755	-	-	(534,755)	-	-
COVID continuity	17,789	-	(2,324)	(15,465)	-	-
Mews car park - ENTRUST	-	5,972	(7,298)	1,326	-	-
National Hunt scheme	-	5,000	-	-	-	5,000
Kickstart	-	23,627	(23,627)	-	-	-
Racing Foundation	-	75,000	(25,170)	-	-	49,830
NLHF	-	15,742	-	-	-	15,742
Retraining of Racehorses	-	30,000	(30,000)	-	-	-
	<u>947,879</u>	<u>322,362</u>	<u>(248,897)</u>	<u>(714,764)</u>	<u>-</u>	<u>306,580</u>

A transfer of £119,641 was made to unrestricted funds from the Completion of Permanent Galleries fund representing the completion of the projects for which those funds were received.

A transfer of £519,830 was made to the Permanent Endowment fund from The Hon John Lambton Voluntary Settlement fund representing the balance of the funds after the redevelopment of the Mews. A transfer of £14,925 was made to unrestricted and designated funds to reflect the amounts spent on the Mews project.

Transfers have been made from remaining restricted funds of £60,367 to unrestricted funds to represent either the completion of projects for which those funds were received or where applicable expenditure has been previously met from unrestricted funds.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 *(Continued)*

25 ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS (CONTINUED)

Prior year –						
Charity and Group	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Investment gains £	Balance at 31 December 2021 £
Museum Collection Purchases	136,689	-	-	-	-	136,689
Exhibition Donations	13,439	25,000	(25,000)	-	-	13,439
Project Posts Funding	74,616	-	(48,678)	-	-	25,938
Relocation Funds	(13,875)	-	-	13,875	-	-
Education Funds	32,766	34,818	(36,818)	-	-	30,766
Other	7,668	-	-	-	-	7,668
HLF Resilience	67,708	-	(78,620)	10,747	-	(165)
Completion of Permanent Galleries	177,958	5,000	(5,000)	-	3,042	181,000
The Hon John Lambton Voluntary Settlement	919,867	-	-	(444,057)	58,945	534,755
Rank Foundation	(1,200)	-	-	1,200	-	-
KickStart	-	25,356	(25,356)	-	-	-
COVID continuity	-	19,053	(1,264)	-	-	17,789
Mews garden - ENTRUST	-	49,728	-	(49,728)	-	-
	<u>1,415,636</u>	<u>158,955</u>	<u>(220,736)</u>	<u>(467,963)</u>	<u>61,987</u>	<u>947,879</u>

Details on the funds for which there is a balance at the year-end are as follows:

Museum Collection Purchases

Represents amounts received from the Friends of the National Horseracing Museum for the purpose of acquiring items for the permanent collection. £136,689 is represented by heritage assets and is considered to have been fully spent in accordance with the terms of the original restriction.

Exhibition Donations

This fund is for amounts received for expenditure relating to specific exhibitions.

Project Posts Funding

Income which has been acquired for a fixed period for the purpose of project development and funding additional employee costs in relation to the project.

Education Funds

Monies received to facilitate continued employment of Education Officer, education activities and marketing of the education function.

Other

Various smaller grants and donations received for specific purposes.

NLHF Resilience

Grant from the National Lottery Heritage Fund to develop new commercial income through the implementation of a new marketing strategy.

Completion of Permanent Galleries

Funds received to facilitate works to complete and improve the galleries and visitor experience.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 *(Continued)*

25 ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS (CONTINUED)

The Hon John Lambton Voluntary Settlement

Grant awarded to assist with the costs of refurbishing the Lecture Hall and Mews Building to be more attractive to visitors. Any monies not spent on the refurbishment will be added to the endowment fund on completion of the project.

COVID continuity

Grant awarded to support the development and enhancement of our digital programme, to enable a new way of reaching audiences who are not physically able to access the Museum and were severely disadvantaged by the pandemic.

Mews car park – ENTRUST

Grant awarded to fund the cost of refurbishment of the car park and planting.

National Hunt scheme

Grant awarded to help sustain the core activities of the National Hunt gallery.

Kickstart

The Kickstart Scheme provides funding to create new jobs for 16 to 24 year-olds.

Racing Foundation

This grant is restricted for use towards the activities and associated costs to deliver the Creative Programme.

NLHF

Grant from the National Lottery Heritage Fund to develop new commercial income.

Retraining of racehorses

Grant monies receivable from Retraining of Racehorses for retraining racehorses' onsite.

26 RELATED PARTY TRANSACTIONS

An independent and separately registered charity exists in connection with the National Horseracing Museum in the name of The Friends of the National Horseracing Museum, (charity registration number 291154). Given its independence the Friends' results are not incorporated within these financial statements.

During the year donations were made by the Friends of the National Horseracing Museum of £995 (2021: £4,000 to the Heritage Assets collection).

The Charitable Company is a member of Discover Newmarket, a community interest company (registration number 09362242). During the year income of £12,369 (2021: £5,570) was derived from this association in the form of admissions and cafe revenue and purchases in the year totalled £Nil (2021: £Nil). At the year end, a balance of £400 (2021: £579) was owed by the subsidiary has been provided against by this entity.

With the consent of the Charity Commission, Trustees indemnity insurance has been purchased as a part of the insurance cover of the Charitable Company as a whole and is not separately identified within total insurance costs of £23,956 (2021: £30,492).

During the year the Charitable Company recharged costs of £36,061 (2021: £32,945) to its subsidiary Palace House Trading Ltd. At the year end, a balance of £106,453 (2021: £15,424) owed by the subsidiary was recognised in debtors of the Charitable Company. A further balance of £393,610 (2021: £393,610) owed by the subsidiary has been provided against and has not been recognised in the Charitable Company's debtor balance. During the year there was a management charge totalling £27,300 (2021: £27,300) between the Charitable Company and its subsidiary Palace House Trading Ltd.

Donations from Trustees in the year totalled £7,450 (2021: £5,500), of which £Nil (2021: £Nil) is within accrued income at the year end.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2022 (Continued)

27 FINANCIAL INSTRUMENTS

The carrying amount of the Group and Charity's financial instruments at 31 December were:

	2022	2021
	£	£
<i>Financial assets:</i>		
Measured at fair value through SOFA	4,009,213	2,935,472

28 FUNDS HELD FOR THIRD PARTIES

During the year the Group and Charity received cash of £93,922 (2021: £nil) on behalf of Presents Galore which is held within the Group and Charity's bank account. Presents Galore is a fundraising event which raises money via a Christmas fair, all proceeds of which are split between the Charity and Cambridge Children's Hospital. At the year end £93,922 (2021: £nil) was owed to Presents Galore and is included within other creditors in the financial statements.

29 ANALYSIS OF PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES BY FUND

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2021 £
Income from:					
Donations and legacies	546,110	-	158,955	500,000	1,205,065
Charitable activities	137,177	-	-	-	137,177
Other trading activities	110,387	-	-	-	110,387
Investments	38	-	-	107,012	107,050
Other income	252,290	-	-	-	252,290
Total income	1,046,002	-	158,955	607,012	1,811,969
Expenditure on:					
Raising funds	202,735	-	-	-	202,735
Charitable activities	736,177	285,067	220,736	-	1,241,980
Total expenditure	938,912	285,067	220,736	-	1,444,715
Net (losses)/gains on investments	-	-	61,987	207,582	269,569
Net income/(expenditure)	107,090	(285,067)	206	814,594	636,823
Transfers between funds	60,464	514,511	(467,963)	(107,012)	-
Net movement in funds	167,554	229,444	(467,757)	707,582	636,823
Reconciliation of funds:					
Fund balances brought forward	433,554	13,113,078	1,415,636	2,689,215	17,651,483
Fund balances carried forward	601,108	13,342,522	947,879	3,396,797	18,288,306

Accounts



(A Charitable Company limited by guarantee and not having share capital)

Report and Financial Statements

Year Ended 31 December 2021

Charity No: 283656
Company No: 01592031

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Contents

Page:

2	Report of the Trustees
12	Independent Auditor's Report
15	Consolidated Statement of Financial Activities (incorporating the income and expenditure account)
16	Consolidated Balance Sheet
17	Charity Balance Sheet
18	Cashflow Statements
19	Notes forming part of the financial statements

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2021

The Trustees of The National Horseracing Museum (hereafter referred to as the Charitable Company) are pleased to present their report together with the financial statements for the year ending 31 December 2021.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Charity Number:	283656
Company Number:	01592031
Registered Office and Operational Address:	Palace House, Palace Street, Newmarket, Suffolk, CB8 8EP
Auditors:	RSM UK Audit LLP, Blenheim House, Newmarket Road, Bury St Edmunds, Suffolk, IP33 3SB
Bankers:	Barclays Bank plc, 58 High Street, Newmarket, Suffolk, CB8 8GL Weatherbys Bank, Sanders Road, Wellingborough, Northants, NN8 4BX
Investment Managers:	Smith & Williamson Investment Management, 25 Moorgate, London, EC2R 6AY
Museum Director:	Anne-Marie Hogan
Company Secretary:	Anne-Marie Hogan

Directors and Trustees

The Directors of the Charitable Company are its Trustees for the purpose of law and throughout this report are collectively referred to as the Trustees.

Hon. Frances Stanley	- Chair
John Chatfeild-Roberts	
Brian Finch	
Sally Goodsir	
Annette Green	
Paul Lindsell	
Nicholas Luck	
Paul Taiano	
Richard Fletcher	
Ben Hanbury	
Lady Jane Grosvenor	
Jonathan Benson	
Adam Signy	- appointed 28 April 2022
Paul Ogburn	- appointed 28 April 2022

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2021 (*Continued*)

Structure, Governance and Management

The Charitable Company is limited by guarantee and governed by its Memorandum and Articles of Association dated 16 October 1981. Under part 5, Section 60 of the Companies Act 2006, it is exempt from the requirement to use the word limited after its name. It is registered as a charity with the Charity Commission.

The Trustees determine the general policy of the Charitable Company and are elected in accordance with the Memorandum and Articles of Association. The day-to-day management of The National Horseracing Museum (the Museum) is delegated to the Museum Director and her staff (collectively referred to as the Executive). The National Horseracing Museum is the legal entity responsible for running the Museum at Palace House, Newmarket.

The Trustees are responsible for the preparation of financial statements, ensuring that they give a true and fair view of the results and financial soundness of the Charitable Company.

The Charitable Company has no share capital and is limited by guarantee. Each Trustee is a member of the Charitable Company and is a guarantor who undertakes to contribute to the assets of the Charitable Company, in the event of it being wound up, such amount as may be required, not exceeding £1.

The Trustees delegate authority on all strategic and day-to-day matters to the Museum Director and the Executive. However, the following reserved matters require Trustee approval:

- The annual budget
- The annual auditors' report
- Quarterly management accounts
- Capital project expenditure above £100,000
- The annual, five-year Forward Plan, and any subsequent variants of this
- The annually reviewed Risk Register and the associated Risk Management Plan
- The Museum's operational policies
- Changes in the terms of governance
- Staff ex gratia and bonus payments
- Changes to partnership agreements with the site's associated charities.

While new Trustees will be asked to respect the Executive's responsibility for the operation of the Museum, Trustees may also be asked to mentor a senior member of the Museum staff working in an area which corresponds to their own professional expertise. We have introduced a new delegated powers and sub-committee structure to enable Trustees to retain a critical friend role, whilst empowering the Executive to lead daily activity, including three re-structured committees: Finance, Fundraising & Commerce Committee; Governance & Organisational Culture Committee; Creative Content Committee.

Appointment of Trustees

Appointment or removal of Trustees is in line with Charity Commission guidelines RS1 and in compliance with the Charitable Company's Trustees Recruitment Policy.

At the Trustees' Board meeting of 29 July 2019, it was agreed that, in order to extend the range of the Board's professional expertise, better reflect our audience, and improve the diversity of Board representation, the Board should regularise the terms of its membership. These new terms are enshrined in the new drafting of the Museum's Memorandum and Articles adopted 6 January 2021.

To summarise these terms, it was agreed that:

- Trustee terms be limited to three years in the first instance, renewable (if both parties are in agreement) for a further three years.
- After six years' service Trustee terms can, by mutual consent of the Chair and the respective Trustee, be renewable annually, to a maximum of nine years' service in total.
- The Chair review the membership of those Trustees who have served more than six years, with a view to effecting an orderly transition from existing to new members.
- The Chair and Board will invite suggestions for new Trustees who can enhance the Board's diversity in terms of age, professional expertise, and socio-economic background.
- The Museum will advertise publicly for new Trustees.

THE NATIONAL HORSERACING MUSEUM **(A Charitable Company limited by guarantee and not having share capital)**

Report of the Trustees for the year ended 31 December 2021 (Continued)

- Any potential Trustees will be interviewed by Nominations Committee comprising of the Board Chair; Board Diversity Champion; two other Trustees; external member (ideally with HR, Governance and/or organisational culture experience) and Museum Director.
- The Board will particularly seek new Trustees who have professional expertise in areas in which the Board is currently under-represented (see below), who come from a diverse range of economic and social backgrounds, or who represent one of the protected characteristics which the Museum is prioritising.
- The Museum will encourage applications for the Board by qualified candidates from visible and invisible minority group members, persons with disabilities, persons across the spectrum of sexual and gender identities, and others with the skill and knowledge to engage with diverse communities.
- The Board's size be no less than 10 and no more than 14 Trustees.

The Trustees will be asked (i) to ensure that the Museum runs smoothly and effectively by supervising and monitoring the performance of the Museum's operation in accordance with the sector's standards of good practice and the principles of transparency, diversity, equality, and fiscal sustainability and (ii) to assist the Executive to identify, cultivate and harness potential sources of external funding for core projects.

The appointment of Trustees is by proposal according to the skills requirements of the Charitable Company and requires a unanimous positive vote. The recruitment process focussing on the need for all Trustees to come from a variety of backgrounds, personal & experiential; ideally bringing experience in Finance; Higher Education; Museums (Policy/Operations and Collections); Events/Catering; Marketing and the Voluntary Sector. Representation at Board meetings includes members of the Local Authorities (specifically one observer/attendee each from Suffolk County Council and West Suffolk District Council). In addition, Arts Council England (ACE) reserves the right to attend meetings of the full Board, reflecting the Museum's status as an ACE National Portfolio Organisation. To date, there has never been the need to remove a Trustee from office.

Trustees Induction and Training

Upon appointment, Trustees are given advice outlining their role and responsibilities to the Charitable Company. Provision is made for external training of Trustees if necessary.

Related Parties

A separately registered charity exists in connection with the Museum, in the name of The Friends of the National Horseracing Museum (registered charity number 291154). Given its independence hitherto, the Friends' results are not incorporated within these financial statements. The Friends make regular gifts to the Museum in the form of pictures or other artefacts or provide funds to support purchases or other projects in line with the Objectives and Activities outlined in their Constitution. The basic object of the charity as defined with the Charity Commission is *'...the education of the public by promotion, support, assistance and improvement of the National Horseracing Museum through the activity of the group of Friends.'*

During the year donations towards acquisitions to the Museum's collections were received from the Friends to the value of £4,000 (2020: £5,000).

The National Horseracing Museum holds 100% of the issued share capital of Palace House Trading Limited, a company registered in England and Wales. The principal activities of Palace House Trading are detailed in note 17 to the financial statements.

Pay policy for key management personnel

The Trustees consider that they, along with the Executive, comprise the key management personnel in charge of directing and controlling, running, and operating the Charitable Company on a day-to-day basis. All Trustees give of their time freely, and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 12 and 26 to the accounts.

The pay of the Executive is reviewed annually. In view of the nature of the Charitable Company, the Trustees benchmark pay against levels in other provincial museums of a similar size. We follow Museums Association "Pay in Museums" guidance to ensure fair pay for all. Executive salaries are set by recommendation of the Audit & Performance (Finance, Fundraising & Commerce) Committee to the Chair of the Board.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2021 (Continued)

Risk Management

The Trustees consider that the principal risks faced by the Charitable Company are generating sufficient income on an annual basis, which historically has principally been from grants and donations, to fund its charitable activities and attracting increasing visitor numbers to generate income from attending the Museum and purchasing the goods, services and events provided by the Charitable Company's subsidiary, Palace House Trading Limited.

The Trustees regularly review the financial performance and position of the Museum to ensure that unrestricted working capital is available to support present and future levels of operation, with the longer-term goal of increasing the level of the Museum's Endowment Fund (see also Reserves Policy below) such that it is sufficient to generate a level of income which substantially funds the charitable activities.

The Charitable Company maintains a Risk Register which is reviewed by the Audit and Performance (Finance, Fundraising & Commerce) Committee on behalf of the Trustees, to assess major operational and business risks faced by the Charitable Company. It is believed that the appropriate actions are in place to mitigate significant risks.

Objectives and Activities

The National Horseracing Museum was founded to be a world-class museum using our prestigious heritage site, nationally recognised art and heritage collections, special exhibitions, and activities to celebrate the rich history of horseracing in the UK with a special focus on the contribution that Newmarket and surrounding areas has made and continues to make to the growth of a major worldwide sport and industry.

Its purpose, as set out in the Charitable Company's Memorandum of Association, is:

'to promote public interest in the preservation of all articles of historical or scientific interest in connection with racehorses and persons and places connected with racehorses and to enlarge the Museum's network of partnerships within the education, racing industry and museums sectors to mutual benefit and for the benefit of the public.'

Key aims as set out in the Museum's Forward Plan, approved by the Trustees, are:

- To improve and maintain the financial resilience of the organisation via a balanced range of income sources, with emphasis being placed on increasing visitor ticket sales and enhancing income from retail, catering, and hire.
- To create an engaging, accessible and (where possible) externally funded programme of special exhibitions and displays as a prime driver of increased footfall.
- To broaden and diversify the audience for the collections and exhibitions and to ensure the highest possible standards of collections care and documentation according to Museum Accreditation standards.
- To build a strong network of local, regional, national, and international partnerships to enable the organisation to attain its full potential.
- To broaden and diversify the offer across the site through externally sourced investment.
- To promote the Museum through traditional and digital marketing and media channels in order to communicate the changing offer.

THE NATIONAL HORSERACING MUSEUM **(A Charitable Company limited by guarantee and not having share capital)**

Report of the Trustees for the year ended 31 December 2021 (*Continued*)

Public Benefit

The public benefits principally from the preservation and conservation of this nationally important collection of racing works of art, social history objects, archival documents, and photographs. Members of the public are able to view the exhibitions in person and increasingly, online and to use the research services of the Museum.

The Museum also provides wider social benefit through the provision of greatly improved facilities and services for families and young people and through much improved educational facilities and learning programmes. The organisation works hard to engage the local community beyond the core racing audience. A community outreach programme has integrated the National Horseracing Museum into the life of Newmarket and its diverse communities, as well as those of the surrounding area.

All three elements of the Museum's extensive premises are fully accessible in accordance with the provisions of the Disability Discrimination Acts (1995 & 2005). In addition, displays enhance intellectual access to the Museum in order to attract audiences of all ages and backgrounds to engage with the historical and cultural life of Newmarket, while its education and community outreach programmes support life-long learning both for specialist groups and for general audience alike, thereby contributing to the formal and informal learning offer in the region.

Economic Benefit

The Trustees are aware that the public's opportunity to benefit must not be limited by geographical or other restrictions. Although the Museum is based in Suffolk, visitors come from all over the UK and abroad. As part of other audience development planning, the Trustees discuss the public benefit requirements to ensure the Museum's activities continue to enhance the participation and enjoyment of as many sectors of the public as possible.

The Trustees believe they comply with the duty in Section 4 Chapter 1 of the Charities Act 2011, having due regard to the public benefit guidance published by the Charity Commission.

Achievements and Performance

During 2021 the Museum benefited from National Portfolio Organisation (NPO) status, awarded by Arts Council England (ACE), and from the National Lottery Heritage Fund (NLHF). These two bodies provided substantial support in the form of grant funding.

At 10,337 visitor numbers remained below the 18,600 visitors achieved pre-pandemic in 2019. The lockdown periods mandated by Government to control the COVID-19 pandemic accounted for the Museum being completely closed for some 21 weeks in the year, not opening until 18 May 2021. However, the numbers achieved in the six and half months since opening the doors were consistent to numbers achieved pre-pandemic, providing considerable encouragement for 2022 and life beyond COVID-19. In 2021 the Museum continued to benefit from the Government's generous programme of assorted business grants particularly focussed on the hospitality and leisure sector, as well as the furlough programme, which continued to support staff costs during the closure. We were also the recipient of ACE Culture Recovery Fund round 2 funding, providing a further £167k towards general overheads for which we are immensely grateful. As a consequence of all these forms of support, the Museum was able to end the year with healthy cash and investment balances, which will be key in supporting our expanding programme in 2022 as we return to normal operating practices.

The Museum remains committed to working with our local secondary school, Newmarket Academy, and with local primary schools, all of which closely connect us with the community in Newmarket. We work with racing industry partners to deliver two free initiatives for local schools to develop a sense of place in Newmarket: 'Future Champions', with the whole of Year 8 at Newmarket Academy, and 'Under Starter's Orders' for Year 5 pupils in local primary schools. In 2021 we engaged 621 pupils aged 5-18, in learning, with English as an Additional Language (EAL) of 18% and a Pupil Premium of 20%. We also have an enhanced relationship with our neighbouring primary school, All Saints, where around 30% of pupils have EAL and over 12 languages are spoken.

In 2021 the Museum retained its 'Learning Outside the Classroom' quality badge, and accreditation as an Arts Award centre and Artsmark Partner. A key aim of our learning programme is to give pupils in local schools the opportunity to gain an Arts Award qualification. We enabled 117 children to receive their Discover Arts Awards across four local primary schools in 2021.

THE NATIONAL HORSERACING MUSEUM **(A Charitable Company limited by guarantee and not having share capital)**

Report of the Trustees for the year ended 31 December 2021 (*Continued*)

Achievements and Performance (*Continued*)

In addition to our work with schools, we are working with Inspire Suffolk on the delivery of the Prince's Trust programme for local young people who qualify as NEET – not in employment, education, or training. 2021 saw the third year of the Suffolk Museums' 'Transforming People to Transform Museums' trainee programme, funded by the National Lottery Heritage Fund *Skills for the Future* initiative, which aims to diversify the museum workforce. In 2021 we hosted two school leavers for a one-year traineeship each. Both have gone on to secure employment in areas they developed interest in while they were training with us. In early 2021 we enrolled in the KickStart scheme which offers young people, aged between 16-24 on Universal Credit and at risk of long-term unemployment, six-month job placements. We hosted four placements between May and November 2021. All those who took part reported huge improvements in their confidence in the workplace. Three out of the four participants secured jobs immediately after leaving us.

We are signatories to the Kids in Museums manifesto and a destination for the Children's University in Suffolk. We organise a range of family activities and trails including free or low-cost events for local families including 'Fun Palaces' and Halloween events in October and 'Twilight in Museums' in February. We promote our events through local schools and support networks such as Suffolk Young Carers. These events have brought in diverse family groups, many of whom have not visited before.

To encourage more diverse local audiences to visit, we held Chai and Rusk events in summer 2021, which enabled women from families of South-east Asian descent to visit the museum – many for the first time. We have extended our £10 Annual Pass, to include residents within a 15-mile radius, and free entry for stable staff, many of whom are young people from low-income households.

Our volunteering programme has a strong wellbeing element, enabling local people from a range of backgrounds to make connections, learn new skills and develop confidence. We also support volunteers with a range of disabilities and mental health conditions. A number of our volunteers have gone on to employment following their volunteer experience.

We are part of the Newmarket Dementia Alliance, committed to welcoming people with dementia, and work closely with the local dementia café, who have visited. We are also working with Vibrant Communities to reach people living in care homes who may be experiencing isolation – especially as a result of the pandemic. We continue to work with Racing Welfare to reach older people at risk of isolation and we have run a free membership scheme with them and staged joint coffee mornings. During 2021 we have also worked to develop access to our collection online, which will be delivered in summer 2022.

The Museum's Collection and Acquisitions

The Museum responds to offers for objects on loan and available for purchase, proactively sourcing loans, and acquisitions in line with its Collections Development Policy, with particular focus on securing long-term material for the displays at the Museum. The Trustees are grateful to all those who have supported the development of the Museum through either gifts or loans to the collections. The Collection Development policy was reviewed and agreed by the Trustees in July 2021.

As part of the Arts Council's Acceptance in Lieu Scheme the Museum was fortunate to receive a painting 'Lord Henniker's grey mare 'Fairy' in a stable by Sir Edwin Landseer (1802-73). This painting is one of a pair with Lord Henniker's bay mare 'Brunette'. The Museum is fortunate to already have 'Brunette' on loan from a private collection and on public display in the Fred Packard galleries of Sporting Art (Palace House). The addition of 'Fairy' will unite these paintings and allow them to be seen together, as originally intended.

The Museum also acquired 'The Stewards' Silver Cup' - A George IV silver horseracing trophy and cover. The Cup was made in 1825 by Rebecca Emes and Edward Barnard and is decorated with foliage, acanthus leaves and trailing vines. The cover has a fine, cast, standing horse finial. The centre section is engraved 'Northallerton Races 1835 The Duke of Leeds The Hon'ble Col. Arden Stewards'. The Cup adds considerably to the Museum's collections relating to racecourses of the past.

The Museum continues to maintain the standards expected of a 'National' Museum as set out by the Arts Council Registration and Accreditation Schemes and continues to ensure the highest possible standards of collections care and documentation. Full Accreditation is due to be renewed in 2023.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2021 (Continued)

The Trustees remain most grateful for the support received during the year from charitable trusts and foundations, generous private donors, and supporters and in particular The Thompson Family Charitable Trust; The British Sporting Art Trust, EBM Charitable Trust; Rockcliffe Charitable Trust and of course, ACE and the NLHF.

Special Exhibitions

The 2021 special exhibitions programme in the Moller Gallery, Thompson Gallery, and Palace House included:

- *Sporting Talk: the forgotten history of everyday speech (May-October)*
- *George Denholm Armour: a lifetime of drawings. (June-November).*
- *Mud Sweat and Tears: A history of jump racing (July-December)*
- *Follow your nose! The history of Beagling (November-April 2022)*

We intend to further our relationships with national and international exhibition partners in future years and are currently developing plans for online as well as onsite exhibitions.

We had previously dedicated the Thompson Gallery to display community projects, but this led to a feeling of marginalisation, rather than the intended inclusion, owing to the gallery's location on the first floor. Discussions have led us to prioritise the most accessible area of the museum – the Atrium – for displaying works with local resonance. To this end, the community art project, *We Are Newmarket* was displayed from November 2021 until March 2022.

Discover Newmarket and The Newmarket Business Improvement District (BID)

The Museum has continued to work with the local joint venture Destination Management Organisation, Discover Newmarket (CIC registration number 9362242), to offer tours of the Museum and other horseracing attractions in the area. In 2021, Discover Newmarket organised visits to the Museum that contributed £5,570 to its income, this low income was inevitably badly affected by the pandemic.

The Museum is also a subscriber to the Newmarket BID 'Love Newmarket', which aims to see a regeneration of the town's High Street area and its prosperity.

Volunteers

The Management and Trustees are indebted to the volunteers who assisted the Museum during 2021. Our volunteering programme, with participants from a variety of non-traditional volunteering backgrounds, has continued to deliver successful engagement and has maintained a stable level of over 80 regular volunteers. The volunteers contribute enormously to the experience of visitors and provide an increasingly important resource in supporting curatorial work. As is explained in the accounting policy on page 19, no financial value is placed on the services provided by volunteers.

Fundraising

During 2021 the Museum was the very grateful recipient of a donation from The Thompson Family Charitable Trust for the Museum's endowment fund.

In 2021 the Museum did not engage with any third-party external fundraisers to assist with its fundraising activities and confirms that it has not received any complaints concerning its fundraising activities.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2021 (Continued)

Diversity

The Museum is committed to encouraging diversity and eliminating discrimination – both visible and invisible. Our aim is that our approach to working with partners and stakeholders, audiences, and participants as well as our own workforce, should be truly representative of all backgrounds and perspectives.

During 2021, the Museum revised its Equality Action Plan, which was adopted by the Trustees at their January meeting. The Museum remains committed to focusing on the following protected characteristics most relevant to our region, our mission, and our collection, notably: age (both older groups and young people), socio-economic deprivation, disabled visitors, and minority ethnic groups – particularly foreign nationals working within horseracing in Newmarket.

Newmarket has been identified as having a particularly low participation level in culture and the arts. Through our community engagement programme, we aim to give local people access to new cultural experiences and seek to remove barriers to participation. Our key aims in increasing and promoting diversity are to ensure access for all, authenticity, community, and cross-cultural collaboration, while celebrating the highest artistic standards. We worked with the Association for Suffolk Museums, Suffolk Young Carers and Sharing Parenting to deliver 100 Easter holiday activity packs to children who are in receipt of Free School meals or otherwise vulnerable despite lockdown conditions preventing access to the Museum.

We aim to ensure equality and fairness for all partners, stakeholders, audiences and participants, trustees, members, volunteers, and employees. We will not discriminate because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, ethnic origin, nationality, national origin, religion, belief or sex and sexual orientation, and we oppose all forms of unlawful and unfair discrimination.

Financial Review

The consolidated net income for the year, before transfers and net gains/losses on investments derived from donations, investments and activities designed to generate funds, was £367,254 (2020: £121,224) and net income of £636,823 (2020: net expenditure of £26,671) after net gains/losses on investments.

Within total net income we incurred a surplus for the year on unrestricted general funds of £167,554 (2020: £401,311). This is stated after transfers between the designated, restricted and endowment funds of a total of £60,464; comprising £467,963 from the restricted fund (2020: £122,363), £107,012 (2020: £75,513) from the endowment fund and £514,511 (2020: £Nil) to the designated fund. This leaves a balance carried forward on group unrestricted funds of £601,108. After deducting the amounts represented by Heritage Assets and Other Tangible Fixed Assets, this leaves a balance of free reserves at group level of £407,652. Free reserves at charity level are £283,654.

The Trustees are pleased that for the first time, free reserves at group level of £407,652 now exceed their aim of three months of operating costs of approximately £300,000 (for further detail see the reserves policy paragraph). The Museum management team's planning goal will continue to be building the profitability and financial resilience for the medium and long term with less reliance on grants from Arts Council England and the National Lottery Heritage Fund.

The overall year-end balance of unrestricted, designated, and restricted funds was £14,891,509 (2020: £14,962,268), excluding endowment fund balances of £3,396,797 (2020: £2,689,215) (see note 23).

A key feature of the Museum's financial structure is its endowment fund. This fund is important in that, whilst part of its capital cannot be spent on day-to-day operations, income from the fund can be used to support the Museum's activities. The endowment fund includes the HLF Catalyst Endowment Fund, which now holds investment assets valued at £2,365,797 (2020: £2,158,215), and a further £500,000 which was received during the year from the Thompson Family Charitable Trust. The endowment fund also includes £500,000 (2020: £500,000) of expendable endowment which provides the Charitable Company with a buffer in the event of a shortfall of income.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2021 (Continued)

Reserves Policy

In line with guidance published by the Charities Commission, the Trustees are concerned to establish an adequate level of unrestricted reserves to enable the organisation to carry out its charitable objectives and to safeguard its activities in the event of unplanned financial challenges.

The Museum currently holds an endowment fund of £3,396,797, restricted funds for specific purposes of £947,879, designated funds of £13,342,522 and an unrestricted operational fund of £601,108.

The Trustees' policy is to build the endowment fund to such a level that the income from it will be sufficient to cover the core operating costs.

The Trustees' policy with regard to unrestricted reserves (funds not tied to fixed assets, designated, or restricted funds) has been to maintain sufficient resources to meet its obligations as they fall due. Mindful of the need to protect the organisation against future financial challenges through either unplanned operational costs, loss of grant income or unexpected reductions in commercial income, the Trustees are pleased that for the first time the level of free reserves at group level now exceeds its target of three months of operating costs of approximately £300,000 although they are still slightly below this amount at the charity level. The Museum Executive's planning goal will continue to be building profitability and financial resilience for the medium and long term with less reliance on grants from organisations such as Arts Council England (ACE).

In line with Charities Commission advice, financial performance will be kept under regular review by the Audit and Performance Committee (Finance, Fundraising & Commerce), under delegated authority from the full Board, and will be reviewed annually by the full Board in order to ensure that there is an appropriate balance between monies tied up in free reserves and sums available to be spent for charitable activities.

Future Plans

Throughout the reporting period the COVID-19 pandemic continued to have a significant effect on the Museum's ability to achieve its planned objectives. The Trustees and Executive are working on securing continuity of existing grants and seeking new sources of income to establish long term financial equilibrium in the Museum's day-to-day activities through:

- re-energising the Campaign Board and appointing a professional fund-raiser to focus on securing new endowments with the long-term objective of delivering an endowment fund in excess of £10 million;
- ensuring that all expectations of the principal grant-making bodies are met by their review dates, ensuring these income streams, which are currently key to the on-going operations of the Museum are secure. These key institutions include the Arts Council England and West Suffolk Council, who between them have provided support in excess of £539,538 during 2021, including access to emergency relief funding, for which the Trustees are extremely grateful;
- continuing to engage with the horse racing industry with new initiatives to attract visitors; including hosting horse racing's "Hall of Fame" with its international appeal and developing an industry wide members reward package for Museum members;
- strengthening the Executive and Trustee board notably in areas of marketing and retail to drive visitor numbers and trading income.

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2021 (Continued)

Investment Policy

Management of the Charitable Company's investment portfolio is delegated by the Trustees to Smith & Williamson Investment Management, who advise the Trustees on investment performance. The investment advisors are given the freedom they need to achieve the best results practicable in the circumstances without specific constraints on such matters as social, ethical, or environmental considerations.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Charitable Company's financial statements. Full details of the Trustees' reasoning for the adoption of the going concern basis are included in the going concern note in the accounting policies section of the financial statements.

Trustees' Responsibilities for the Financial Statements

Charity law and company law both require the Trustees (who also act as Directors for the purposes of company law) to prepare for each financial year financial statements which give a true and fair view of the state of affairs of the Charitable Company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees are required to follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charitable 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 Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditors

A resolution to reappoint RSM UK Audit LLP, Chartered Accountants, as auditors will be put to the Trustees at the Annual General Meeting.

Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware:

- there is no relevant audit information of which the auditors are unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the Trustees on

.....
Hon. Frances Stanley (Chair of Trustees)

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Independent Auditor's Report to the Members and Trustees of The National Horseracing Museum

Opinion

We have audited the financial statements of The National Horseracing Museum (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities incorporating the Income and Expenditure Account, the Consolidated and Charity Balance Sheets, the Group and Charity Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 the parent charitable company's affairs as at 31 December 2021 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 and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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.

Other information

The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. 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.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Independent Auditor's Report to the Members and Trustees of The National Horseracing Museum
(Continued)

Opinions 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 Report of the Trustees, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, 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;
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, 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 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Independent Auditor's Report to the Members and Trustees of The National Horseracing Museum
(Continued)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected, or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Trustees, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and inquiring of management whether the company is in compliance with these law and regulations.

The group audit engagement team identified the risk of management override of controls and the completeness of income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business, and performing tests of detail in relation to completeness of income.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Sutherland

CLAIRE SUTHERLAND (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB
Date 03/08/22

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Consolidated Statement of Financial Activities incorporating the Income and Expenditure Account for the year ended 31 December 2021

	Note	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2021 £	Total 2020 £
Income from:							
Donations and legacies	3	546,110	-	158,955	500,000	1,205,065	1,389,881
Charitable activities	4	137,177	-	-	-	137,177	67,351
Other trading activities	5	110,387	-	-	-	110,387	78,603
Investments	2	38	-	-	107,012	107,050	87,306
Other income	6	252,290	-	-	-	252,290	285,133
Total income		1,046,002	-	158,955	607,012	1,811,969	1,908,274
Expenditure on:							
Raising funds	7	202,735	-	-	-	202,735	342,076
Charitable activities	8	736,177	285,067	220,736	-	1,241,980	1,444,974
Total expenditure		938,912	285,067	220,736	-	1,444,715	1,787,050
Net gains/(losses) on investments	16	-	-	61,987	207,582	269,569	(147,895)
Net income/(expenditure)		107,090	(285,067)	206	814,594	636,823	(26,671)
Transfers between funds	23/25	60,464	514,511	(467,963)	(107,012)	-	-
Net movement in funds		167,554	229,444	(467,757)	707,582	636,823	(26,671)
Reconciliation of funds:							
Fund balances brought forward	23/25	433,554	13,113,078	1,415,636	2,689,215	17,651,483	17,678,154
Fund balances carried forward	23/25	601,108	13,342,522	947,879	3,396,797	18,288,306	17,651,483

All recognised gains and losses are included within the above statement. All amounts relate to continuing activities.

The notes on pages 19 to 37 form part of these financial statements.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not
having share capital)

Company number: 1592031
Charity number: 283656

Consolidated Balance Sheet at 31 December 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible fixed assets	13	13,394,000	13,224,908
Heritage assets	15	278,667	272,442
Investments	16	2,935,472	2,661,167
Total fixed assets		16,608,139	16,158,517
Current assets			
Stocks	18	31,329	50,655
Debtors	19	189,604	241,725
Cash at bank and in hand		1,562,493	1,325,776
Total current assets		1,783,426	1,618,156
Liabilities			
Creditors falling due within one year	20	(103,259)	(125,190)
Net current assets		1,680,167	1,492,966
Net assets		18,288,306	17,651,483
The funds of the group:			
Unrestricted funds			
General fund	23	601,108	433,554
Designated Palace House fund	23	12,828,011	13,113,078
Designated Mews Project fund	23	514,511	-
Restricted funds	25	947,879	1,415,636
Endowment funds	23	3,396,797	2,689,215
Total group funds		18,288,306	17,651,483

The financial statements on pages 15 to 37 were approved by the Trustees and authorised for issue on 22/11/2022

Hon. Frances Stanley Hon. Frances Stanley (Chair of Trustees)

A J Green Annette Green (Trustee)

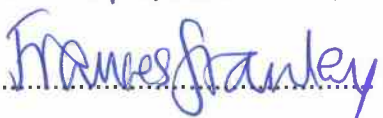
Charity Balance Sheet at 31 December 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible fixed assets	14	13,380,774	13,215,497
Heritage assets	15	278,667	272,442
Investments	16	2,935,473	2,661,168
Total fixed assets		16,594,914	16,149,107
Current assets			
Stocks	18	-	-
Debtors	19	205,848	308,775
Cash at bank and in hand		1,434,896	1,139,665
Total current assets		1,640,744	1,448,440
Liabilities			
Creditors falling due within one year	20	(84,576)	(109,831)
Net current assets		1,556,168	1,338,609
Net assets		18,151,082	17,487,716
The funds of the charity:			
Unrestricted funds			
General fund	24	463,884	269,787
Designated Palace House fund	24	12,828,011	13,113,078
Designated Mews Project fund	24	514,511	-
Restricted funds	25	947,879	1,415,636
Endowment funds	24	3,396,797	2,689,215
Total charity funds		18,151,082	17,487,716

As permitted by s408 Companies Act 2006, the Charity has not presented its own profit and loss account and related notes as it prepares group accounts. The Charity's surplus for the year was £663,366 (2020: £27,144 deficit).

The financial statements on pages 15 to 37 were approved by the Trustees and authorised for issue on

22/7/2022

 Hon. Frances Stanley (Chair of Trustees)

 Annette Green (Trustee)

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Cash flow statements for the year ended 31 December 2021

	Note	2021		2020	
		Group £	Charity £	Group £	Charity £
Net cash provided by operating activities	a	634,567	687,369	429,330	353,145
Cash flows from investing activities					
Interest income		38	-	793	793
Investment income		107,012	107,012	86,513	86,513
Movement in investment cash		4,299	4,299	(11,355)	(11,355)
Purchase of investments		(250,006)	(250,006)	(492,512)	(492,512)
Purchase of tangible fixed assets		(493,939)	(488,189)	(75,986)	(75,986)
Purchase of heritage assets		(6,225)	(6,225)	(5,000)	(5,000)
Proceeds on disposal of tangible fixed assets		-	-	2,416	2,416
Proceeds on disposal of investments		240,971	240,971	502,586	502,586
Cash (used in)/generated by investing activities		(397,850)	(392,138)	7,455	7,455
Increase in cash and cash equivalents in year		236,717	295,231	436,785	360,600
Cash and cash equivalents at the beginning of the year		1,325,776	1,139,665	888,991	779,065
Cash and cash equivalents at the end of the year	b	1,562,493	1,434,896	1,325,776	1,139,665
Relating to:					
Cash at bank and in hand		1,562,493	1,434,896	1,325,776	1,139,665

Note a. Reconciliation of net movement in funds to net cash inflow from operating activities

	2021		2020	
	Group £	Charity £	Group £	Charity £
Net income/(expenditure) for the year	636,823	663,366	(26,671)	(27,144)
Depreciation charge	307,586	303,200	318,690	313,832
Loss/(profit) on disposal of tangible fixed assets	17,259	19,712	(1,892)	(1,892)
Investment (gains)/losses	(269,569)	(269,569)	149,176	149,176
Investment income	(107,050)	(107,012)	(87,306)	(87,306)
Decrease in stock	19,326	-	6,276	-
Decrease in debtors	52,121	102,927	149,323	66,544
Decrease in creditors	(21,929)	(25,255)	(78,266)	(60,065)
Net cash provided by operating activities	634,567	687,369	429,330	353,145

Note b. Analysis of changes in net funds

	1 January 2021 £	Cash flow £	31 December 2021 £
CHARITY – Cash at bank and in hand	1,139,665	295,231	1,434,896
GROUP – Cash at bank and in hand	1,325,776	236,717	1,562,493

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The National Horseracing Museum is a Charitable Company limited by guarantee, incorporated in England and Wales which 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 notes.

The financial statements are prepared in sterling, which is the functional currency of the Charitable Company. Monetary amounts in these financial statements are rounded to the nearest £.

Basis of consolidation

The consolidated financial statements incorporate the accounts of the Charitable Company and those of its trading subsidiary, Palace House Trading Ltd, for the year ended 31 December 2021 on a line-by-line basis. A separate Statement of Financial Activity (SOFA) is not presented because the Charitable Company has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

Going concern

The group finances its day-to-day operations primarily from grants and donations including historically an annual grant from Arts Council England within its National Portfolio. The Museum has applied to Arts Council England for an annual grant within this programme at the same level covering the period from 2023/24 to 2025/26 and will be advised of their decision in October 2022. The Trustees have prepared forecasts and projections through to 31 December 2023 based on a number of potential scenarios, including not receiving the annual grant from Arts Council England within the National Portfolio. After reviewing these forecasts and projections, with the back-up of an expendable endowment of £500,000, which can be utilised to meet costs and losses incurred as a result of the continued impact of the Covid-19 pandemic, at the time of approving these financial statements, the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for at least the next 12 months. The Trustees therefore consider it appropriate to continue to adopt the going concern basis in preparing the group's financial statements.

Income

All grants, donations and income from charitable activities are recognised when the Charitable Company is legally entitled to the income and the amount can be quantified with reasonable probability. Income is only deferred when admission fees or other income are received in advance.

Income from other trading activities is recognised as earned when the related goods and services are provided.

Investment income is recognised on a receivable basis.

Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated in these financial statements. Their valuable contribution is recognised in the Report of the Trustees.

There are no donated services or facilities to recognise in these financial statements. If services are provided to the Charitable Company as a donation that would normally be purchased from suppliers, these will be included in the financial statements at an estimate of the value of the contribution to the Charitable Company.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 (Continued)

1 ACCOUNTING POLICIES (Continued)

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods and services when supplied or when a constructive obligation arises which results in the payment being unavoidable.

- Costs of raising funds are those costs incurred in running the Museum Café, Gift Shop, Tours and Fundraising Events and, in these consolidated accounts, include the costs incurred by the trading subsidiary.
- Charitable activities relate to the costs of running of the Museum.
- Support costs have been allocated to the relevant activity cost categories on a basis consistent with the use of those resources. This has been via an estimated percentage by the Trustees where it is not practical to identify actual costs.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to that category. The Charitable Company is partially culturally exempt, and irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Museum collections heritage assets

The collection consists of historic assets associated with horseracing. The value shown in the accounts is that of purchases added to the collection over a period of years. No value has been attributed to donated items added to the collection prior to 2005.

The Trustees consider that the historic nature of the collections, which is displayed in the National Horseracing Museum in furtherance of the Charitable Company's objects, is such that it is not appropriate to place a value on the entire collection, as the significant cost involved would be onerous compared with the additional benefit derived by the users of the financial statements.

No provision is made for diminution in value of the Museum collections, as in the opinion of the Trustees its value is maintained.

Tangible fixed assets and depreciation

Tangible fixed assets (those items purchased costing in excess of £350) are stated at cost, less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset on a straight-line basis, over its expected life as follows:

Leasehold property	- over 50 years
Computer equipment	- over 3 years
Other equipment/fixtures, fittings, furniture	- over 5 years
Motor vehicles	- over 5 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were the age and in the condition expected at the end of its useful life.

Tangible fixed assets are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in the net movement in funds.

Investments

Listed fixed asset investments are included in the balance sheet at their bid valuation, as advised by the Investment Managers, adjusted for impairment in value. Realised and unrealised gains or losses from the respective sale and revaluation of investments are separately identified in the Statement of Financial Activities.

Investment in subsidiary

In the separate accounts of the Charitable Company, the interest in the subsidiary is initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

The interest in the subsidiary is assessed for impairment at each reporting date. Any impairment loss or reversal of impairment losses are recognised immediately in the net movement in funds.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 (Continued)

1 ACCOUNTING POLICIES (Continued)

Stock

Stock, being goods held for resale, is stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in first out basis. Net realisable value is based on estimated selling price.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price is recognised as an impairment loss in profit or loss.

Operating leases

Rental expenditure applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Financial instruments

The Charitable Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Charitable Company becomes a party to the contractual provisions of the instrument.

Financial assets

Basic financial assets including trade and other receivables are initially measured at transaction price (including transaction costs) and are subsequently carried at amortised cost using the effective interest method.

Financial instruments at fair value

Trade investments

Trade investments are equity investments over which the Charitable Company has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred. Trade investments are measured at fair value through profit or loss or cost less impairment if fair value cannot be measured reliably.

The fair value of trade investments quoted on a recognised stock exchange is the quoted bid price.

Financial liabilities

Basic financial liabilities, including trade and other payables are recognised at transaction price. Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities where payment is due within one year or less. If not, they are presented as creditors due after more than one year. Trade and other payables are subsequently measured at amortised cost.

Pensions

The Charitable Company contributes to the personal pension plans of certain employees. The cost is charged to the income and expenditure account as contributions fall due.

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments. The contributions payable by the group at year end are £3,194 (2020: £3,932), which is shown in other creditors.

Taxation

The Charitable Company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 (Continued)

1 ACCOUNTING POLICIES (Continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Fund accounting

The Charitable Company maintains various types of funds as follows:

Endowment funds

The HLF Catalyst endowment fund represents monies raised to establish a permanent endowment fund which will continue in perpetuity and only investment income from the endowment fund may be drawn upon for transfer to the General Fund. The expendable endowment fund relates to funds received towards an expendable endowment. The endowment can be used to help the Museum cover the costs of the COVID-19 pandemic.

Restricted funds

The restricted funds represent monies received to fund specific activities and to purchase certain items for the collection as set out in note 25 of the financial statements.

Unrestricted funds

General unrestricted funds represent monies which are expendable at the discretion of the Trustees in the furtherance of the objects of the Charitable Company. Such funds may be held in order to finance both working capital and capital investment.

Designated funds

The designated funds represent amounts which have been put aside out of unrestricted funds at the discretion of the Trustees, as set out in note 23 of the financial statements.

Legal status of the Charitable Company

The Charitable Company has no share capital but is limited by guarantee. Every member of the Charitable Company is a guarantor and undertakes to contribute such amounts as may be required to the assets of the Charitable Company in the event of it being wound up. Each guarantor's liability is limited to £1.

Critical accounting estimates and areas of judgements

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 circumstance.

Critical accounting estimates and assumptions

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The carrying value of the Museum's collection of heritage assets is held at cost and not depreciated. In concluding that these assets are not impaired management makes estimates as to the current value of the assets and their value in use.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Charitable Company as lessee.

The Charitable Company accounts for depreciation on leasehold property in accordance with FRS 102. Properties are depreciated over their estimated useful life, taking into account any residual value. Judgements are made on the residual values and estimated useful live of the assets which are regularly reviewed. The Trustees have taken the decision to hold the leasehold property in a separate designated fixed asset fund.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 *(Continued)*

2 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	2021 £	2020 £
Listed investments	-	-	-	107,012	107,012	86,513
Bank deposits	38	-	-	-	38	793
	<u>38</u>	<u>-</u>	<u>-</u>	<u>107,012</u>	<u>107,050</u>	<u>87,306</u>

3 INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	2021 £	2020 £
Donations	546,110	158,955	-	500,000	1,205,065	1,389,881
	<u>546,110</u>	<u>158,955</u>	<u>-</u>	<u>500,000</u>	<u>1,205,065</u>	<u>1,389,881</u>

Details on the contribution of volunteers to the Charitable Company have been included within the Report of the Trustees, on page 9.

4 INCOME FROM CHARITABLE ACTIVITIES

	2021 £	2020 £
Unrestricted income		
Admissions	104,500	60,285
Other income	32,677	7,066
	<u>137,177</u>	<u>67,351</u>

5 INCOME FROM OTHER TRADING OPERATIONS

	2021 £	2020 £
Fundraising activities and shop	8,625	-
Palace House Trading	101,762	78,603
	<u>110,387</u>	<u>78,603</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 (Continued)

6 OTHER INCOME

	2021 £	2020 £
Government Coronavirus Job Retention Scheme	73,894	114,139
Government Local Restrictions Support Scheme	178,396	86,000
Insurance claim	-	84,994
	<u>252,290</u>	<u>285,133</u>

There are no unfulfilled conditions or other contingencies attaching to government grants received.

7 ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Other activities	1,268	-	-	-	1,268	513
Fundraising activities and events	11,251	-	-	-	11,251	183,010
Support costs	11,289	-	-	-	11,289	13,834
Palace House Trading	178,927	-	-	-	178,927	144,719
	<u>202,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,735</u>	<u>342,076</u>

8 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Wages	15,455	-	-	-	15,455	3,819
Exhibition and conservation costs	2,568	28,792	-	-	31,360	36,903
Support costs	718,154	191,944	285,067	-	1,195,165	1,404,252
	<u>736,177</u>	<u>220,736</u>	<u>285,067</u>	<u>-</u>	<u>1,241,980</u>	<u>1,444,974</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 *(Continued)*

9 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

The Charitable Group allocates its support and governance costs as shown below. Support and governance costs are allocated on a basis consistent with the use of resources.

Support cost	Raising funds £	Charitable activities £	Total 2021 £	Total 2020 £
Wages and salaries	-	554,007	554,007	664,702
Property costs	455	149,449	149,904	178,957
Depreciation and loss on disposal	3,302	319,610	322,912	311,940
Advertising and publicity costs	1,618	32,378	33,996	67,190
Administration costs	5,914	139,721	145,635	195,297
	<u>11,289</u>	<u>1,195,165</u>	<u>1,206,454</u>	<u>1,418,086</u>

10 MOVEMENT IN TOTAL FUNDS FOR THE YEAR

	2021 £	2020 £
This is stated after charging/(crediting):		
Auditor's remuneration: - statutory audit of charity	16,995	15,500
- statutory audit of subsidiary	3,100	4,500
Accountancy services	4,375	4,240
Tax advisory services	1,285	1,250
Depreciation of tangible fixed assets	307,586	318,690
Loss/(profit) on disposal of tangible fixed assets	17,259	(1,891)
Operating lease rentals – plant & machinery	6,992	15,374

11 STAFF NUMBERS

	2021 Number	2020 Number
Administration	15	15
Visitor Services/Retail	22	22
	<u>37</u>	<u>37</u>

The above employee numbers include part-time staff. An estimate of the average number of full-time equivalent employees is 21 (2020: 17).

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 (*Continued*)

12 STAFF COSTS, TRUSTEE REMUNERATION AND THE COST OF KEY MANAGEMENT PERSONNEL

	2021 £	2020 £
Wages and salaries	546,087	625,659
Social security costs	31,684	50,548
Pension costs	20,678	24,380
	<u>598,449</u>	<u>700,587</u>

The number of employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2021 Number	2020 Number
£60,000 - £70,000	1	-
£90,001 - £100,000	-	1

The Trustees of the Museum were not paid and did not receive any other benefits from employment with the Museum in the year (2020: £Nil). Reimbursed expenses for specific travel, accommodation and reimbursement of sundry expenses personally and properly incurred on behalf of the Museum during the year were £155 (2020: £Nil). None of the Trustees received payment for professional or other services supplied to the Charitable Group (2020: £Nil).

The key management personnel of the Museum comprise the Museum Director and the Packard Curator. The total employee remuneration, benefits, and employer costs of the key management personnel of the Charitable Group were £124,800 (2020: £172,021).

Included within wages and salaries are redundancy costs totalling £Nil (2020: £1,981) for the group. These were due to positions no longer being required.

13 TANGIBLE FIXED ASSETS (GROUP)

	Land & Buildings £	Equipment Fixtures Fittings & Furniture £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 January 2021	14,253,346	346,982	44,736	14,645,064
Additions	443,306	50,633	-	493,939
Disposals	-	(132,062)	(24,003)	(156,065)
Transfers	29,630	(29,630)	-	-
At 31 December 2021	14,726,282	235,923	20,733	14,982,938
<i>Depreciation</i>				
At 1 January 2021	1,140,268	235,593	44,295	1,420,156
Charge for the year	285,067	21,700	819	307,586
Eliminated on disposals	-	(114,381)	(24,423)	(138,804)
At 31 December 2021	1,425,335	142,912	20,691	1,588,938
<i>Carrying value</i>				
At 31 December 2021	13,300,947	93,011	42	13,394,000
At 31 December 2020	13,113,078	111,389	441	13,224,908

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 (*Continued*)

14 TANGIBLE FIXED ASSETS (CHARITY)

	Land & Buildings £	Equipment Fixtures Fittings & Furniture £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 January 2021	14,253,346	324,820	44,737	14,622,903
Additions	443,306	44,883	-	488,189
Disposals	-	(131,078)	(24,003)	(155,081)
Transfers	29,630	(29,630)	-	-
At 31 December 2021	14,726,282	208,995	20,734	14,956,011
<i>Depreciation</i>				
At 1 January 2021	1,140,268	222,843	44,295	1,407,406
Charge for the year	285,067	17,314	819	303,200
Eliminated on disposals	-	(110,946)	(24,423)	(135,369)
At 31 December 2021	1,425,335	129,211	20,691	1,575,237
<i>Carrying value</i>				
At 31 December 2021	13,300,947	79,784	43	13,380,774
At 31 December 2020	13,113,078	101,977	442	13,215,497

Transfer between classes relates to a correction of the classification of costs associated with the Mews Refurbishment project between land & buildings and equipment, fixtures, fittings & furniture.

15 HERITAGE ASSETS (CHARITY AND GROUP)

	2017 £	2018 £	2019 £	2020 £	2021 £
<i>Cost</i>					
1 January 2021	262,142	264,917	267,417	267,442	272,442
Additions	2,775	2,500	25	5,000	6,225
31 December 2021	264,917	267,417	267,442	272,442	278,667

During the year, there were recognised additions of £6,225 (2020: £5,000) donated by the Friends of the National Horseracing Museum, as referred to on page 4.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 (Continued)

16 FIXED ASSETS INVESTMENTS (CHARITY AND GROUP)

	Shares in subsidiary £	Investment Portfolio Restricted	Investment Portfolio Endowment £	2021 £	2020 £
Market value 1 January 2021	1	491,699	2,140,890	2,632,590	2,791,840
Additions	-	-	250,006	250,006	492,512
Disposal proceeds	-	-	(240,971)	(240,971)	(502,586)
Realised and unrealised investment losses)/gains	-	61,987	207,582	269,569	(149,176)
Market value					
31 December 2021	1	553,686	2,357,507	2,911,194	2,632,590
Cash	-	2,154	22,125	24,279	28,578
Total investments at 31 December 2021	1	555,840	2,379,632	2,935,473	2,661,168
Group	-	555,840	2,379,632	2,935,472	2,661,167
Charity	1	555,840	2,379,632	2,935,473	2,661,168
Historical cost of investments held at 31 December 2021					
Group	-	548,171	2,024,558	2,572,729	2,565,631
Charity	1	548,171	2,024,558	2,572,730	2,565,632

17 INVESTMENT IN SUBSIDIARY – CHARITY

Cost at 1 January and 31 December 2021	£ 1
--	--------

The following was a subsidiary undertaking throughout the year and has been included in the consolidated financial statements:

Name of undertaking	Registered office	Class of shareholding	Proportion of nominal value held directly	Nature of business
Palace House Trading Limited (10343747)	Palace House, Palace Street, Newmarket, Suffolk CB8 8EP	Ordinary	100%	Retail, restaurant, café, and event catering services

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 (Continued)

17 INVESTMENT IN SUBSIDIARY – CHARITY (CONTINUED)

Financial statements of the company will be filed with the Registrar of Companies. The company's results for the year ended 31 December 2021 are shown below:

	2021	2020
	£	£
Turnover	101,762	78,603
Cost of sales	(62,873)	(34,808)
Gross profit	38,889	43,795
Administrative expenses	(120,954)	(109,904)
Other operating income	50,583	66,589
Interest receivable	38	-
Interest payable	-	(7)
(Loss)/profit before taxation	(31,444)	473
Tangible fixed assets	8,326	9,411
Current assets	163,017	239,395
Current liabilities	(432,629)	(478,648)
Net liabilities and reserves	(261,286)	(229,842)

18 STOCK

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Goods held for resale	31,329	50,655	-	-

During the year, an impairment loss of £19,000 (2020 - £Nil) was recognised. No earlier stock write-downs have been reversed during the current, or preceding, period.

19 DEBTORS

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	4,497	4,458	2,693	2,587
Amounts owed by subsidiary	-	-	15,424	69,679
Other debtors	30,617	110,717	35,528	110,670
Prepayments and accrued income	154,490	126,550	152,203	125,839
	189,604	241,725	205,848	308,775

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 (Continued)

20 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	33,610	33,913	26,816	28,597
Other creditors	19,851	32,324	19,728	32,181
Other taxes and social security	12,781	14,550	12,311	14,035
Accruals and deferred income	37,017	44,403	25,721	35,018
	<u>103,259</u>	<u>125,190</u>	<u>84,576</u>	<u>109,831</u>

21 GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Heritage Assets £	Other tangible fixed assets £	Investments £	Net current assets £	Total 2021 £
General fund	141,978	51,478	-	407,652	601,108
Designated funds	-	13,342,522	-	-	13,342,522
Restricted funds	136,689	-	555,840	255,350	947,879
Endowment fund	-	-	2,379,632	1,017,165	3,396,797
	<u>278,667</u>	<u>13,394,000</u>	<u>2,935,472</u>	<u>1,680,167</u>	<u>18,288,306</u>

Prior year -

	Heritage Assets £	Other tangible fixed assets £	Investments £	Net current assets £	Total 2020 £
General fund	135,753	111,830	20,455	165,516	433,554
Designated funds	-	13,113,078	-	-	13,113,078
Restricted funds	136,689	-	493,852	785,095	1,415,636
Endowment fund	-	-	2,146,860	542,355	2,689,215
	<u>272,442</u>	<u>13,224,908</u>	<u>2,661,167</u>	<u>1,492,966</u>	<u>17,651,483</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 (Continued)

22 CHARITY ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Heritage Assets £	Other tangible fixed assets £	Investments £	Net current assets £	Total 2021 £
General fund	141,978	38,252	-	283,654	463,884
Designated funds	-	13,342,522	-	-	13,342,522
Restricted funds	136,689	-	555,841	255,349	947,879
Endowment fund	-	-	2,379,632	1,017,165	3,396,797
	<u>278,667</u>	<u>13,380,774</u>	<u>2,935,473</u>	<u>1,556,168</u>	<u>18,151,082</u>

Prior year –

	Heritage Assets £	Other tangible Fixed assets £	Investments £	Net current assets £	Total 2020 £
General fund	135,753	102,419	20,455	11,160	269,787
Designated funds	-	13,113,078	-	-	13,113,078
Restricted funds	136,689	-	493,853	785,094	1,415,636
Endowment fund	-	-	2,146,860	542,355	2,689,215
	<u>272,442</u>	<u>13,215,497</u>	<u>2,661,168</u>	<u>1,338,609</u>	<u>17,487,716</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 *(Continued)*

23 GROUP ANALYSIS OF MOVEMENTS IN UNRESTRICTED, DESIGNATED AND ENDOWMENT FUNDS

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Investment gains £	Balance at 31 December 2021 £
General fund	433,554	1,046,002	(938,912)	60,464	-	601,108
Designated funds:						
Palace House fund	13,113,078	-	(285,067)	-	-	12,828,011
Mews Project fund	-	-	-	514,511	-	514,511
Endowment funds:						
HLF Catalyst Endowment Fund	2,158,215	107,012	-	(107,012)	207,582	2,365,797
Expendable endowment	500,000	-	-	-	-	500,000
Jim Joel Legacy Scheme	31,000	-	-	-	-	31,000
Thompson Family Charitable Trust	-	500,000	-	-	-	500,000
	<u>16,235,847</u>	<u>1,653,014</u>	<u>(1,223,979)</u>	<u>467,963</u>	<u>207,582</u>	<u>17,340,427</u>

Prior year –

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Investment losses £	Balance at 31 December 2020 £
General fund	32,243	1,125,971	(922,536)	197,876	-	433,554
Designated funds:						
Palace House fund	13,398,145	-	(285,067)	-	-	13,113,078
Endowment funds:						
HLF Catalyst Endowment Fund	2,213,309	86,513	(2,305)	(86,513)	(52,789)	2,158,215
Expendable endowment	-	500,000	-	-	-	500,000
Jim Joel Legacy Scheme	-	20,000	-	11,000	-	31,000
	<u>15,643,697</u>	<u>1,732,484</u>	<u>(1,209,908)</u>	<u>122,363</u>	<u>(52,789)</u>	<u>16,235,847</u>

The designated Palace House and Mews Project funds reflect the net book values of those assets at the reporting date. Transfers into the Mews Project fund in the current year reflect the capital spend on those assets, funded by both restricted and unrestricted funds during the year. Expenditure on the Palace House fund reflects depreciation charged on these assets in the year.

All capital raised for the Heritage Lottery Fund Endowment Fund will form a permanent fund. The investment income of £107,012 (2020: £86,513) derived from this fund is eligible for transfer to the General Fund and was so transferred.

The Jim Joel Legacy Scheme relates to endowed income received in 2020 in recognition of Mr Joel's contribution to UK racing – this scheme, sponsored by the Childwick Trust who gave £31,000 to set up the scheme to encourage legacy giving.

The long-term operational support endowment income was received in the year, and the specific terms of this endowment will be confirmed in the coming year.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 (Continued)

24 CHARITY ANALYSIS OF MOVEMENTS IN UNRESTRICTED, DESIGNATED AND ENDOWMENT FUNDS

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Investment gains £	Balance at 31 December 2021 £
General fund	269,787	921,099	(787,466)	60,464	-	463,884
Designated funds:						
Palace House fund	13,113,078	-	(285,067)	-	-	12,828,011
Mews Project fund	-	-	-	514,511	-	514,511
Endowment funds:						
HLF Catalyst Endowment Fund	2,158,215	107,012	-	(107,012)	207,582	2,365,797
Expendable endowment	500,000	-	-	-	-	500,000
Jim Joel Legacy Scheme	31,000	-	-	-	-	31,000
Long-term operational support	-	500,000	-	-	-	500,000
	16,072,080	1,528,111	(1,072,053)	467,963	207,582	17,203,203

Prior year –

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Investment losses £	Balance at 31 December 2020 £
General fund	(131,051)	980,779	(777,817)	197,876	-	269,787
Designated funds:						
Palace House fund	13,398,145	-	(285,067)	-	-	13,113,078
Endowment funds:						
HLF Catalyst Endowment Fund	2,213,309	86,513	(2,305)	(86,513)	(52,789)	2,158,215
Expendable endowment	-	500,000	-	-	-	500,000
Jim Joel Legacy Scheme	-	20,000	-	11,000	-	31,000
	15,480,403	1,587,292	(1,065,189)	122,363	(52,789)	16,072,080

The designated Palace House and Mews Project funds reflect the net book values of those assets at the reporting date and includes £41,575 of equipment installed during the refurbishment. Transfers into the Mews Project fund in the current year reflect the capital spend on those assets, funded by both restricted and unrestricted funds during the year. Expenditure on the Palace House fund reflects depreciation charged on these assets in the year.

All capital raised for the Heritage Lottery Fund Endowment Fund will form a permanent fund. The investment income of £107,012 (2020: £86,513) derived from this fund is eligible for transfer to the General Fund and was so transferred.

The Jim Joel Legacy Scheme relates to endowed income received in 2020 in recognition of Mr Joel's contribution to UK racing – this scheme, sponsored by the Childwick Trust who gave £31,000 to set up the scheme to encourage legacy giving.

The long-term operational support endowment income was received in the year, and the specific terms of this endowment will be confirmed in the coming year.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 (Continued)

25 ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS

Charity and Group	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers £	Investment gains £	Balance at 31 December 2021 £
1) Museum Collection Purchases	136,689	-	-	-	-	136,689
2) Exhibition Donations	13,439	25,000	(25,000)	-	-	13,439
3) Project Posts Funding	74,616	-	(48,678)	-	-	25,938
4) Relocation Funds	(13,875)	-	-	13,875	-	-
5) Education Funds	32,766	34,818	(36,818)	-	-	30,766
6) Other	7,668	-	-	-	-	7,668
7) HLF Resilience	67,708	-	(78,620)	10,747	-	(165)
8) Completion of Permanent Galleries	177,958	5,000	(5,000)	-	3,042	181,000
9) The Hon John Lambton Voluntary Settlement	919,867	-	-	(444,057)	58,945	534,755
10) Rank Foundation	(1,200)	-	-	1,200	-	-
11) KickStart	-	25,356	(25,356)	-	-	-
12) COVID continuity	-	19,053	(1,264)	-	-	17,789
13) Mews garden - ENTRUST	-	49,728	-	(49,728)	-	-
	<u>1,415,636</u>	<u>158,955</u>	<u>(220,736)</u>	<u>(467,963)</u>	<u>61,987</u>	<u>947,879</u>

A transfer of £13,875 was made from unrestricted funds into the Relocation funds representing the deficit on this fund for which there is no longer a reasonable expectation that additional funds will be received.

A transfer of £10,747 was made from unrestricted funds to the HLF Resilience fund relating to furlough income received during the year for restricted staff.

A transfer of £444,057 has been made from The Hon John Lambton Voluntary Settlement fund, relating to the capital cost of works performed on the Mews Project in the year. The unspent balance on this fund is expected to be transferred into endowment funds, in line with the terms of the donation, in 2023 when the final costs relating to the project are recognised.

A transfer of £1,200 was made from unrestricted funds into the Rank Foundation fund representing the deficit on this fund for which there is no longer a reasonable expectation that additional funds will be received.

A transfer of £49,728 was made from the Mews garden fund in the year, representing the capital costs incurred on the redevelopment of the garden at the Mews site, in line with the terms of the funding.

Prior year –

Charity and Group	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Investment losses £	Balance at 31 December 2020 £
1) Museum Collection Purchases	131,689	5,000	-	-	-	136,689
2) Exhibition Donations	13,439	-	-	-	-	13,439
3) Project Posts Funding	140,714	-	(60,463)	(5,635)	-	74,616
4) Relocation Funds	(13,875)	-	-	-	-	(13,875)
5) Education Funds	11,184	55,870	(25,870)	(8,418)	-	32,766
6) Other	9,414	-	(1,746)	-	-	7,668
7) HLF Resilience	72,802	99,920	(113,128)	8,114	-	67,708
8) Completion of Permanent Galleries	368,204	10,000	(108,862)	(88,764)	(2,620)	177,958
9) Retraining of Racehorses	27,660	-	-	(27,660)	-	-
10) The Hon John Lambton Voluntary Settlement	1,033,079	-	(20,726)	-	(92,486)	919,867
11) Rank Foundation	15,147	-	(16,347)	-	-	(1,200)
12) Racing Foundation	225,000	-	(225,000)	-	-	-
13) Jim Joel Legacy Scheme	-	5,000	(5,000)	-	-	-
	<u>2,034,457</u>	<u>175,790</u>	<u>(577,142)</u>	<u>(122,363)</u>	<u>(95,106)</u>	<u>1,415,636</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 (Continued)

25 ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS (Continued)

Details on the funds for which there is a balance at the year-end are as follows:

1) Museum Collection Purchases

Represents amounts received from the Friends of the National Horseracing Museum for the purpose of acquiring items for the permanent collection. £136,689 is represented by heritage assets and is considered to have been fully spent in accordance with the terms of the original restriction.

2) Exhibition Donations

This fund is for amounts received for expenditure relating to specific exhibitions.

3) Project Posts Funding

Income which has been acquired for a fixed period for the purpose of project development and funding additional employee costs in relation to the project.

4) Education Funds

Monies received to facilitate continued employment of Education Officer, education activities and marketing of the education function.

5) Other

Various smaller grants and donations received for specific purposes.

6) NLHF Resilience

Grant from the National Lottery Heritage Fund to develop new commercial income through the implementation of a new marketing strategy.

7) Completion of Permanent Galleries

Funds received to facilitate works to complete and improve the galleries and visitor experience.

8) The Hon John Lambton Voluntary Settlement

Grant awarded to assist with the costs of refurbishing the Lecture Hall and Mews Building to be more attractive to visitors. Any monies not spent on the refurbishment will be added to the endowment fund on completion of the project.

9) COVID continuity

Grant awarded to support the development and enhancement of our digital programme, to enable a new way of reaching audiences who are not physically able to access the Museum and were severely disadvantaged by the pandemic

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 *(Continued)*

26 RELATED PARTY TRANSACTIONS

An independent and separately registered charity exists in connection with the National Horseracing Museum in the name of The Friends of the National Horseracing Museum, (charity registration number 291154). Given its independence the Friends' results are not incorporated within these financial statements.

During the year donations were made by the Friends of the National Horseracing Museum of £4,000 (2020: £5,000 to the Heritage Assets collection).

The Charitable Company is a member of Discover Newmarket, a community interest company (registration number 9362242). During the year income of £5,570 (2020: £1,248) was derived from this association in the form of admissions and cafe revenue and purchases in the year totalled £Nil (2020: £5,693). At the year end, a balance of £579 (2020: £163) was owed to the Museum by this entity.

With the consent of the Charity Commission, Trustees indemnity insurance has been purchased as a part of the insurance cover of the Charitable Company as a whole and is not separately identified within total insurance costs of £30,492 (2020: £23,444).

During the year the Charitable Company recharged costs of £Nil (2020: £Nil) to its subsidiary Palace House Trading Ltd. At the year end, a balance of £15,424 (2020: £69,679) owed by the subsidiary was recognised in debtors of the Charitable Company. A further balance of £393,610 (2020: £393,610) owed by the subsidiary have been provided against and has not been recognised in the Charitable Company's debtor balance. During the year there was a management charge totalling £27,300 (2020: £25,563) between the Charitable Company and its subsidiary Palace House Trading Ltd.

Donations from Trustees in the year totalled £5,500 (2020: £8,250), of which £Nil (2020: £8,250) is within accrued income at the year end.

27 FINANCIAL INSTRUMENTS

The carrying amount of the Group and Charity's financial instruments at 31 December were:

	2021 £	2020 £
<i>Financial assets:</i>		
Measured at fair value through SOFA	<u>2,935,472</u>	<u>2,661,167</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2021 *(Continued)*

28 ANALYSIS OF PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES BY FUND

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2020 £
Income from:					
Donations and legacies	694,091	-	175,790	520,000	1,389,881
Charitable activities	67,351	-	-	-	67,351
Other trading activities	78,603	-	-	-	78,603
Investments	793	-	-	86,513	87,306
Other income	285,133	-	-	-	285,133
Total income	1,125,971	-	175,790	606,513	1,908,274
Expenditure on:					
Raising funds	342,076	-	-	-	342,076
Charitable activities	580,460	285,067	577,142	2,305	1,444,974
Total expenditure	922,536	285,067	577,142	2,305	1,787,050
Net (losses)/gains on investments	-	-	(95,106)	(52,789)	(147,895)
Net income/(expenditure)	203,435	(285,067)	(496,458)	551,419	(26,671)
Transfers between funds	197,876	-	(122,363)	(75,513)	-
Net movement in funds	401,311	(285,067)	(618,821)	475,906	(26,671)
Reconciliation of funds:					
Fund balances brought forward	32,243	13,398,145	2,034,457	2,213,309	17,678,154
Fund balances carried forward	433,554	13,113,078	1,415,636	2,689,215	17,651,483

Accounts



(A Charitable Company limited by guarantee and not having share capital)

Report and Financial Statements

Year Ended 31 December 2020

Charity No: 283656
Company No: 01592031

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Contents

Page:

2	Report of the Trustees
13	Independent Auditor's Report
16	Consolidated Statement of Financial Activities (incorporating the income and expenditure account)
17	Consolidated Balance Sheet
18	Charity Balance Sheet
19	Cash flow Statements
20	Notes forming part of the financial statements

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2020

The Trustees of The National Horseracing Museum (hereafter referred to as the Charitable Company) are pleased to present their report together with the financial statements for the year ending 31 December 2020.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Charity Number:	283656
Company Number:	01592031
Registered Office and Operational Address:	Palace Street, Newmarket, Suffolk, CB8 8EP
Auditors:	RSM UK Audit LLP, Blenheim House, Newmarket Road, Bury St Edmunds, Suffolk, IP33 3SB
Bankers:	Barclays Bank plc, 58 High Street, Newmarket, Suffolk, CB8 8GL Weatherbys Bank, Sanders Road, Wellingborough, Northants, NN8 4BX
Investment Managers:	Smith & Williamson Investment Management, 25 Moorgate, London, EC2R 6AY
Museum Director:	Steven Parissien <i>(to 2 September 2020)</i> Anne-Marie Hogan <i>(from 29 October 2020)</i>
Company Secretary:	Anne-Marie Hogan <i>(from 1 December 2020)</i>

Directors and Trustees

The Directors of the Charitable Company are its Trustees for the purpose of law and throughout this report are collectively referred to as the Trustees.

Stephen Bourne	– Chair <i>(resigned 15 July 2021)</i>
Rachel Hood	<i>(resigned 29 October 2020)</i>
Ian Barlow	<i>(resigned 29 January 2021)</i>
John Chatfeild-Roberts	
Brian Finch	
Sally Goodsir	
Annette Green	
Peter Jensen	<i>(resigned 29 October 2020)</i>
Paul Lindsell	
Nicholas Luck	
Guy Morrison	<i>(resigned 27 July 2020)</i>
Hon. Frances Stanley	- Interim Chair <i>(from 16 July 2021)</i>
Amy Starkey	<i>(resigned 28 January 2021)</i>
Katherine Stewart	<i>(resigned 29 April 2021)</i>
Paul Taiano	
Richard Fletcher	<i>(appointed 05 February 2020)</i>
Ben Hanbury	<i>(appointed 29 April 2021)</i>
Lady Jane Grosvenor	<i>(appointed 29 April 2021)</i>
Jonathan Benson	<i>(appointed 29 April 2021)</i>

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2020 (Continued)

Structure, Governance and Management

The Charitable Company is limited by guarantee and governed by its Memorandum and Articles of Association dated 16 October 1981. Under part 5, Section 60 of the Companies Act 2006, it is exempt from the requirement to use the word limited after its name. It is registered as a charity with the Charity Commission.

The Trustees determine the general policy of the Charitable Company and are elected in accordance with the Memorandum and Articles of Association. The day-to-day management of The National Horseracing Museum (the Museum) is delegated to the Museum Director and his/her staff (collectively referred to as the Executive). The National Horseracing Museum is the legal entity responsible for running the National Heritage Centre for Horseracing and Sporting Art at Palace House, Newmarket.

The Trustees are responsible for the preparation of financial statements, ensuring that they give a true and fair view of the results and financial soundness of the Charitable Company.

The Charitable Company has no share capital and is limited by guarantee.

Each Trustee is a member of the Charitable Company and is a guarantor who undertakes to contribute to the assets of the Charitable Company, in the event of it being wound up, such amount as may be required, not exceeding £1.

Appointment of Trustees

Appointment or removal of Trustees is in line with Charity Commission guidelines RS1 and in compliance with the Charitable Company's Trustees Recruitment Policy.

At the Trustees' Board meeting of 29 July 2019 it was agreed that, in order to extend the range of the Board's professional expertise, better reflect our audience, and improve the diversity of Board representation, the Board should regularise the terms of its membership. These new terms are enshrined in the new drafting of the museum's Memorandum and Articles of 28 August 2019.

To summarise these terms, it was agreed that:

- Trustee terms be limited to three years in the first instance, renewable (if both parties are in agreement) for a further three years.
- After six years' service Trustee terms can, by mutual consent of the Chair and the respective Trustee, be renewable annually, to a maximum of nine years' service in total.
- The Chair review the membership of those Trustees who have served more than six years, with a view to effecting an orderly transition from existing to new members.
- The Chair and Board will invite suggestions for new Trustees who can enhance the Board's diversity in terms of age, professional expertise and socio-economic background.
- The museum will advertise publicly for new Trustees.
- Any potential Trustees will be interviewed by Nominations Committee comprising of the Board Chair and two other Trustees, together with a representative from the Arts Council.
- The Board will particularly seek new Trustees who have professional expertise in areas in which the Board is currently under-represented (see below), who come from a diverse range of economic and social backgrounds, or who represent one of the protected characteristics which the museum is prioritising.
- The museum will encourage applications for the Board by qualified candidates from visible and invisible minority group members, persons with disabilities, persons across the spectrum of sexual and gender identities, and others with the skill and knowledge to engage with diverse communities.
- The Board's size be no less than 10 and no more than 14 Trustees.

The Trustees will be asked (i) to ensure that the Museum runs smoothly and effectively by supervising and monitoring the performance of the museum's operation in accordance with the sector's standards of good practice and the principles of transparency, diversity, equality and fiscal sustainability and (ii) to assist the Executive to identify, cultivate and harness potential sources of external funding for core projects.

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2020 (Continued)

The Trustees delegate authority on all strategic and day-to-day matters to the Museum's director and senior staff. However, the following reserved matters require Trustee approval:

- The annual budget
- The annual auditors' report
- Quarterly management accounts
- Capital project expenditure above £100,000
- The annual, five-year Forward Plan, and any subsequent variants of this
- The annually-reviewed Risk Register and the associated Risk Management Plan
- The museum's operational policies
- Changes in the terms of governance
- Staff ex gratia and bonus payments
- Changes to partnership agreements with the site's associated charities.

While new Trustees will be asked to respect the Executive's responsibility for the operation of the museum, Trustees may also be asked to mentor a senior member of the museum staff working in an area which corresponds to their own professional expertise.

The appointment of Trustees is by proposal according to the skills requirements of the Charitable Company and requires a unanimous positive vote. Representation includes expertise in the financial, legal, racing, fine art and museum fields and representation from The Jockey Club and the Local Authorities (specifically one observer/attendee each from Suffolk County Council and West Suffolk District Council). In addition, Arts Council England, by virtue of the organisation's National Portfolio Organisation status, reserves the right to attend meetings of the full Board. To date, there has never been the need to remove a Trustee from office.

Trustees Induction and Training

Upon appointment, Trustees are given advice outlining their role and responsibilities to the Charitable Company. Provision is made for external training of Trustees if necessary.

Related Parties

A separately registered charity exists in connection with the Museum, in the name of The Friends of the National Horseracing Museum (registered charity number 291154). Given its independence hitherto, the Friends' results are not incorporated within these financial statements. The Friends make regular gifts to the Museum in the form of pictures or other artefacts or provide funds to support purchases or other projects in line with the Objectives and Activities outlined in their Constitution. The basic object of the charity as defined with the Charity Commission is *'...the education of the public by promotion, support, assistance and improvement of the National Horseracing Museum through the activity of the group of Friends.'*

During the year donations towards acquisitions to the Museum's collections were received from the Friends to the value of £5,000 (2019: £25).

The National Horseracing Museum holds 100% of the issued share capital of Palace House Trading Limited, a company registered in England and Wales. The principal activities of Palace House Trading are detailed in note 17 to the financial statements.

Pay policy for key management personnel

The Trustees consider that they, along with the senior management team, comprise the key management personnel in charge of directing and controlling, running and operating the Charitable Company on a day-to-day basis. All Trustees give of their time freely, and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in notes 12 and 26 to the accounts.

The pay of the senior management team is reviewed annually. In view of the nature of the Charitable Company, the Trustees benchmark pay against levels in other provincial museums of a similar size. Senior Executive salaries are set by recommendation of the Audit and Performance Committee to the Chair of the Board.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2020 (Continued)

Risk Management

The Trustees consider that the principal financial risk to the Charitable Company is assessing the future level of income that the Museum will generate.

The Charitable Company maintains a Risk Register which is reviewed by the Audit and Performance Committee on behalf of the Trustees, to assess major operational and business risks faced by the Charitable Company. It is believed that the appropriate actions are in place to mitigate significant risks.

The Trustees regularly review the financial performance and position of the Museum to ensure that unrestricted working capital is available to support present and future levels of operation, with the longer-term goal of increasing the level of the Museum's Endowment Fund (see also Reserves Policy below).

Objectives and Activities

The National Horseracing Museum aims to be a world-class museum and study centre celebrating the development of thoroughbred racing and breeding in Great Britain and the contribution which Newmarket has made and continues to make to the growth of a major worldwide sport and industry.

Its purpose, through the National Horseracing Museum and as set out in the Charitable Company's Memorandum of Association, is:

'to promote public interest in the preservation of all articles of historical or scientific interest in connection with racehorses and persons and places connected with racehorses and to enlarge the Museum's network of partnerships within the education, racing industry and museums sectors to mutual benefit and for the benefit of the public.'

Key aims as set out in the Museum's Forward Plan, approved by the Trustees, are:

- To improve and maintain the financial resilience of the organisation via a balanced range of income sources, with emphasis being placed on increasing visitor ticket sales and enhancing our income from retail, catering and hire.
- To create an engaging, accessible and (where possible) externally funded programme of special exhibitions and displays as a prime driver of increased footfall.
- To broaden and diversify the audience for our collections and exhibitions and to ensure the highest possible standards of collections care and documentation according to Museum Accreditation standards.
- To build a strong network of local, regional, national and international partnerships to enable the organisation to attain its full potential.
- To broaden and diversify our offer across the site through externally sourced investment.
- To promote the museum through traditional and digital marketing and media channels in order to communicate our changing offer.

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2020 (Continued)

Public Benefit

The public benefits principally from the preservation and conservation of this nationally important collection of racing works of art, social history objects, archival documents and photographs. Members of the public are able to view the exhibitions in person and increasingly, online and to use the research services of the Charitable Company.

The Museum also provides wider social benefit through the provision of greatly improved facilities and services for families and young people and through much improved educational facilities and learning programmes. The organisation works hard to engage the local community beyond the core racing audience. A community outreach programme has integrated the National Horseracing Museum into the life of Newmarket and its diverse communities, as well as those of the surrounding area.

All three elements of the Museum's extensive premises are fully accessible in accordance with the provisions of the Disability Discrimination Acts (1995 & 2005). In addition, the new displays enhance intellectual access to the Museum in order to attract audiences of all ages and backgrounds to engage with the historical and cultural life of Newmarket, while its education and community outreach programmes support life-long learning both for specialist groups and for general audience alike, thereby contributing to the formal and informal learning offer in the region.

Economic Benefit

The Charitable Company is aware that the public's opportunity to benefit must not be limited by geographical or other restrictions. Although the Museum is based in Suffolk, visitors come from all over the UK and abroad. As part of other audience development planning, the Trustees discuss the public benefit requirements to ensure the Museum's activities continue to enhance the participation and enjoyment of as many sectors of the public as possible.

The Trustees believe they comply with the duty in Section 4 Chapter 1 of the Charities Act 2011, having due regard to the public benefit guidance published by the Charity Commission.

Achievements and Performance

During 2020 the Museum benefited from National Portfolio Organisation (NPO) status, awarded by Arts Council England (ACE), from the National Lottery Heritage Fund (NLHF) and the Racing Foundation. All three of these bodies provided substantial support in the form of core funding.

At 8,200, visitor numbers were well down on the 18,600 visitors achieved in 2019. The lockdown periods mandated by Government to control the Covid-19 pandemic accounted for the Museum being completely closed for some 25 weeks. Thereafter, many people were wary of visiting public places, so visitor numbers remained below expectations. The Museum, however benefited from the Government's generous programme of assorted grants, allowances and the furlough programme, which enabled it to reduce costs while retaining its employees. The Museum's key funding agencies maintained their support throughout the year and, between them, provided the Museum with a further £307k of emergency Covid-19 grants, for which we are immensely grateful. As a consequence of all these forms of support, the Museum was able to end the year in a position to fund the immediate regeneration of activities which will be required on re-opening in 2021.

2020 saw a number of key changes among both executive staff and trustees. In September, Dr Steven Parissien resigned as Chief Executive and Anne-Marie Hogan, who had joined the Museum as Head of Resources in 2019, was subsequently appointed as his successor, with the title of Museum Director. In October, Dr. Alexandra Fletcher, a career professional with significant experience as a curator, joined the Museum and curatorial activities were consolidated under her leadership. 2020 saw a further change in leadership following the scheduled end in August of Rachel Hood's term as Chair of the Board of Trustees, in which capacity she was succeeded by Stephen Bourne, a Chartered Accountant by training, with substantial experience in business and not-for-profit enterprises. Since the year end, Stephen Bourne resigned on 15 July 2021 and his responsibilities have been taken over by Hon. Frances Stanley, who is acting as interim chair.

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2020 (*Continued*)

Achievements and Performance (*Continued*)

The Trustees and Executive are working hard to improve footfall. Having recognised that marketing capacity represents one of the most significant challenges in attracting visitors and broadening the audience base, the marketing project (funded by the NLHF under their Resilient Heritage Programme) enabled the museum to appoint three new marketing staff during autumn 2019: a Head of Marketing, a Groups and Events Sales Manager and a Digital Marketing Officer. These posts will be funded by the NLHF until the project ends in summer 2021. During 2020 this team has been working on a wide range of marketing activities, including a rebrand of the site and the creation of a wholly new Museum website.

The Museum is committed to working with our local secondary school, Newmarket Academy, and with the local primary schools, all of which represent the bedrock of the community in Newmarket. Our 'Frontrunners' membership scheme, targeted at these schools, has enabled them to bring student groups throughout the year for a modest annual fee.

We also work with racing industry partners to deliver two free initiatives for local schools to develop a sense of place in Newmarket: 'Future Champions', with the whole of Year 8 at Newmarket Academy, and 'Under Starter's Orders' for Year 5 & 6 pupils in local primary schools. In 2019 we worked with 11 classes, with English as an Additional Language (EAL) of 19% and a Pupil Premium of 11%. We also have an ongoing partnership with our neighbouring primary school, All Saints, where around 30% of pupils have EAL and over 12 languages are spoken.

In 2019 the Museum won a 'Learning Outside the Classroom' quality badge and became an accredited Arts Award centre and Artsmark Partner, despite the challenges of 2020 we were able to retain these awards.

A key aim of our learning programme is to give pupils in local schools the opportunity to gain an Arts Award qualification. We have already worked with Newmarket Academy on Explore and Bronze levels, have piloted 'Discover' with a local primary school, and continued our work on 'Discover' with two new local primary schools in 2020.

In addition to our work with schools, we are working with Inspire Suffolk on the delivery of the Prince's Trust programme for local young people who qualify as NEET – not in employment, education or training. 2020 saw the third year of the Suffolk Museums' 'Transforming People to Transform Museums' trainee programme, funded by the National Lottery Heritage Fund *Skills for the Future* initiative, which aims to diversify the museum workforce. In 2020 we hosted two school leavers for a one-year traineeship. One has gone onto further education and one has joined the Museum workforce in our curatorial department. In January 2021, we have two more local young people joining us. Also in early 2021 we enrolled in the KickStart scheme which offers young people, aged between 16-24 on Universal Credit and at risk of long term unemployment, six month job placements. We have created four positions which commenced in May 2021.

We are on the steering group of the emerging Local Cultural Education Partnership for West Suffolk, which aims to give young people greater access to cultural activities, and we are signatories to the Kids in Museums manifesto and a destination for the Children's University in Suffolk. We organise a range of family activities and trails and are piloting four 'Talking Books' in different languages which aim to engage EAL families with the Museum galleries. We also organise two big free events for local families: 'Fun Palaces' in October and 'Twilight' in February, which we promote through local schools. These events have brought in diverse family groups, many of whom have not visited before.

To encourage more diverse local audiences to visit, the Museum introduced a £10 Annual Pass in September 2019 for residents within a 15 mile radius and free entry for stable staff, many of whom are young people from low-income households, often on low salaries.

Our volunteering programme has a strong wellbeing element, enabling local people from a range of backgrounds to make connections, learn new skills and develop confidence. We also support volunteers with a range of disabilities and mental health conditions. A number of our volunteers have gone on to employment following their volunteer experience.

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2020 (Continued)

Achievements and Performance (Continued)

Most of our staff, and many of our volunteers, have undertaken Welcome All and Dementia Friend training. We are part of the Newmarket Dementia Alliance, committed to welcoming people with dementia, and work closely with the local dementia café, who have visited. We have also run 'Art in Mind' courses for people who have had problems with mental health, in partnership with an artist as part of a Suffolk-wide initiative.

We work with Racing Welfare to reach older people at risk of isolation. We have run a free membership scheme with them and staged joint coffee mornings, including the launch of 'Sporting Memories' cards.

The Museum's Collection and Aquisitions

The Museum responds to offers for objects on loan and available for purchase, proactively sourcing loans and acquisitions in line with its Collections Development Policy, with particular focus on securing long-term material for the displays at the Museum. The Trustees are grateful to all those who have supported the development of the Museum through either gifts or loans to the collections.

During 2020 the Friends of the National Horseracing Museum stepped in to purchase Hyperion's skeleton, an integral part of our collection. The skeleton had been on loan from the Animal Health Trust but was part of their liquidation sale and we are very grateful to the Friends for their timely intervention.

As part of the Arts Council's Acceptance in Lieu Scheme the Museum was fortunate to receive four paintings by two important painters of 19th century British Sporting Art, *Memnon* and *Margrave* by John Frederick Herring, Sen., *Peter Simple* and *Cannon Ball* by John E. Ferneley, Sen. These pictures have strong ties with the history of horseracing and training at Newmarket and our collections contain numerous items relating to the horses and jockeys depicted.

The Museum continues to maintain the standards expected of a 'National' Museum as set out by the Arts Council Registration and Accreditation Schemes and continues to ensure the highest possible standards of collections care and documentation. Full Accreditation is due to be renewed in 2022.

The Trustees remain most grateful for the support received during the year from charitable trusts and foundations, generous private donors and supporters and in particular the John Lambton Trust, Retraining of Racehorses, The Rank Foundation, The British Sporting Art Trust and of course, ACE, the NLHF and The Racing Foundation.

Special Exhibitions

The 2020 special exhibitions programme in the Moller Gallery included:

- *The Good Companions: The many roles of our Canine friends (July-November)*
- *Sporting Talk: the forgotten history of everyday speech (December-March 21)*

We intend to further our relationships with national and international exhibition partners in future years and are currently developing plans for online as well as onsite exhibitions.

We had previously dedicated the Thompson Gallery to display community projects, but this led to a feeling of marginalisation, rather than the intended inclusion, owing to the gallery's location on the first floor. Discussions have led us to prioritise the most accessible area of the museum – the Atrium – for displaying works with local resonance. To this end, the community art project, *Newmarket in Pieces* has been on display here since November. The Thompson gallery will still be used to show work from local artists and communities, but additional focus will be placed on using this gallery as a safe space to explore contested histories, challenging conversations and controversial topics.

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2020 (Continued)

Discover Newmarket and The Newmarket Business Improvement District (BID)

The Museum has continued to work with the local joint venture Destination Management Organisation, Discover Newmarket (CIC registration number 9362242), to offer tours of the museum and of other horseracing attractions in the area. In 2020, Discover Newmarket organised visits to the Museum that contributed £1,248 to its income, though this low outcome was inevitably badly affected by the pandemic.

The Museum is also a subscriber to the Newmarket BID 'Love Newmarket', which aims to see a regeneration of the town's High Street area and its prosperity.

Volunteers

The Management and Trustees are indebted to the volunteers who assisted the Museum during 2020. Our volunteering programme, with participants from a variety of non-traditional volunteering backgrounds, has continued to deliver successful engagement and has maintained a stable level of over 80 regular volunteers. The volunteers contribute enormously to the experience of visitors and provide an increasingly important resource in supporting curatorial work.

As is explained in the accounting policy on page 20, no financial value is placed on the services provided by volunteers.

Fundraising

During 2020 the Museum was the very grateful beneficiary of a further donation from the Hon John Lambton Voluntary Settlement, which was towards an expendable endowment as explained in note 23.

We should note that the Museum does not engage with any third-party external fundraisers to assist with its fundraising activities and confirms that it has not received any complaints concerning its fundraising activities.

Diversity

The Museum is committed to encouraging diversity and eliminating discrimination – both visible and invisible. Our aim is that our approach to working with partners and stakeholders, audiences and participants as well as our own workforce, should be truly representative of all backgrounds and perspectives.

During 2020, the Museum revised its Creative Case for Diversity for ACE and committed itself to focusing on the following protected characteristics most relevant to our region, our mission and our collection, notably: age (both older groups and young people), socio-economic deprivation, disabled visitors and minority ethnic groups – particularly foreign nationals working within horseracing in Newmarket.

Newmarket is an important part of the Arts Council's *Creative People and Places* initiative for West Suffolk, which had been identified as having a particularly low participation level in culture and the arts. Through our community engagement programme, we aim to give local people access to new cultural experiences and seek to remove barriers to participation.

Our key aims in increasing and promoting diversity are to ensure access for all, authenticity, community and cross-cultural collaboration, while celebrating the highest artistic standards.

We aim to ensure equality and fairness for all partners, stakeholders, audiences and participants, trustees, members, volunteers and employees. We will not discriminate because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, ethnic origin, nationality, national origin, religion, belief or sex and sexual orientation, and we oppose all forms of unlawful and unfair discrimination.

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2020 (Continued)

Financial Review

The consolidated net income for the year, before transfers and net losses or gains on investment derived from donations, investments and activities designed to generate funds, was £121,224 (2019: £468,108) and net expenditure of £26,671 (2019: net income of £792,223) after net losses or gains on investment.

Within total net income we incurred a surplus for the year on unrestricted general funds of £401,311 (2019: a deficit of £432,952). This is stated after transfers between the designated, restricted and endowment funds of a total of £197,876; comprising £122,363 (2019: £90,491) from the restricted fund, £75,513 (2019: £90,514) from the endowment fund and £Nil (2019: £14,964) from the designated fund. This leaves a balance carried forward on unrestricted funds of £433,554. After deducting the amounts represented by Heritage Assets and Other Tangible Fixed Assets, this leaves a balance of free reserves of £185,971.

The Trustees are pleased that the level of free reserves is close to their aim of three months of operating costs. The Museum management team's planning goal will continue to be building the profitability and financial resilience for the medium and long term with less reliance on grants from Arts Council England and the National Lottery Heritage Fund.

The overall year-end balance of unrestricted, designated and restricted funds was £14,962,268 (2019: £15,464,845), excluding endowment fund balances of £2,689,215 (2019: £2,213,309) (see note 23).

A key feature of the Museum's financial structure is the establishment of an endowment fund. This fund is important in that, whilst its capital cannot be spent on day-to-day operations, income from the fund can be used to support the Centre's activities. The HLF Catalyst Endowment Fund now holds investment assets valued at £2,158,215 (2019: £2,213,309).

Reserves Policy incorporating Future Plans

In line with guidance published by the Charities Commission, the Trustees are concerned to establish an adequate level of unrestricted reserves to enable the organisation to carry out its charitable objectives and to safeguard its activities in the event of unplanned financial challenges.

The Museum currently holds an endowment fund of £2,689,215, restricted funds for specific purposes of £1,415,636, designated funds of £13,113,078 and an unrestricted operational fund of £433,554.

The HLF Catalyst endowment fund is held to generate income to support the organisation's core operating costs. All the resources held in this fund were donated specifically for this purpose. As a result, the capital is not available for operational use. The restricted funds are sums given for specific purposes and can only be used for these purposes, details of which are disclosed in note 25 to the financial statements. The designated funds are disclosed in notes 23 and 24.

The Trustees' policy for the HLF Catalyst endowment fund is to build it to such a level that the income from it will be sufficient to cover the core overheads.

The Trustees' policy with regard to unrestricted reserves (funds not tied to fixed assets, designated or restricted funds) has been to maintain sufficient resources to meet its obligations as they fall due. Mindful of the need to protect the organisation against future financial challenges through either unplanned operational costs, loss of grant income or unexpected reductions in commercial income, the Trustees aim is to hold unrestricted free reserves of at least £375,000, which is equivalent to approximately three months' total expenditure.

In line with Charities Commission advice, financial performance will be kept under regular review by the Audit and Performance Committee, under delegated authority from the full Board, and will be reviewed annually by the full Board in order to ensure that there is an appropriate balance between monies tied up in free reserves and sums available to be spent for charitable activities.

THE NATIONAL HORSERACING MUSEUM

(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2020 (Continued)

Future plans

Throughout the reporting period and to date, the COVID-19 pandemic continues to have a serious effect on the Museum's ability to achieve its planned objectives. With that in mind, the Trustees and executives are working on securing continuity of existing grants and benefactions and also seeking new sources of income to establish financial equilibrium in the Museum's day-to-day activities. The Trustees aim to hold unrestricted free reserves of at least £375,000, which is equivalent to three months operating costs, will be achieved as follows:

- by establishing a new Campaign Board with the specific objective of raising funds to cover expected operating deficits to enable the Museum to pursue new community-building initiatives, and thereby to increase engagement with the Museum's activities;
- by ensuring that all the expectations of the principal grant-making bodies are met and thereby ensuring that, as the review dates of those grants fall due, those bodies will renew these streams of income which are so crucial to the Museum's operations. In this context, key institutions include the Arts Council England, National Lottery Heritage Fund and West Suffolk Council, who between them have provided support in excess of £302,227 during 2021, including access to emergency relief funding, for which the Trustees are extremely grateful;
- by strengthening the executive team, notably in the curatorial, fundraising, marketing and communication disciplines, in pursuit of the key objectives. To that end, we have made two fresh appointments in 2021;
- by capitalising on the completed major upgrade of our database system in January to May 2021 and employment of a Data Officer to assist the curatorial team to improve and increase the information digitally held about the Museum's collections.

Investment Policy

Management of the Charitable Company's investment portfolio is delegated by the Trustees to Smith & Williamson Investment Management, who advise the Trustees on investment performance. The investment advisors are given the freedom they need to achieve the best results practicable in the circumstances without specific constraints on such matters as social, ethical or environmental considerations.

Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. Full details of the Trustees' reasoning for the adoption of the going concern basis, in the light of the ongoing Covid-19 pandemic, are included in the going concern note in the accounting policies section of the financial statements.

Trustees' Responsibilities for the Financial Statements

Charity law and company law both require the Trustees (who also act as Directors for the purposes of company law) to prepare for each financial year financial statements which give a true and fair view of the state of affairs of the Charitable Company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the Trustees are required to follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charitable 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 Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Report of the Trustees for the year ended 31 December 2020 *(Continued)*

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

Auditors

A resolution to reappoint RSM UK Audit LLP, Chartered Accountants, as auditors will be put to the Trustees at the Annual General Meeting.

Statement as to disclosure of information to auditors

The Trustees who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware:

- there is no relevant audit information of which the auditors are unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

By order of the Trustees on

.....
Hon. Frances Stanley (Interim Chair of Trustees)

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Independent Auditor's Report to the Members of The National Horseracing Museum

Opinion

We have audited the financial statements of The National Horseracing Museum (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities incorporating the Income and Expenditure Account, the Consolidated and Charity Balance Sheets, the Group and Charity Cash Flow Statements and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 the parent charitable company's affairs as at 31 December 2020 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 and the Charities Act 2011.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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.

Other information

The other information comprises the information included in the Report of the Trustees other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of the Trustees. 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.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Independent Auditor's Report to the Members of The National Horseracing Museum (Continued)

Opinions 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 Report of the Trustees, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, 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.
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, 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 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 parent charitable company or to cease operations, or have no realistic alternative but to do so.

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Independent Auditor's Report to the Members of The National Horseracing Museum (Continued)

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operate in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of the Trustees, remaining alert to new or unusual transactions which may not be in accordance with the governing documents and inquiring of management whether the company is in compliance with these law and regulations.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business, and challenging key judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLAIRE SUTHERLAND (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB
Date

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Consolidated Statement of Financial Activities incorporating the Income and Expenditure Account for the year ended 31 December 2020

	Note	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2020 £	Total 2019 £
Income from:							
Donations and legacies	3	694,091	-	175,790	520,000	1,389,881	1,851,259
Charitable activities	4	67,351	-	-	-	67,351	162,718
Other trading activities	5	78,603	-	-	-	78,603	258,301
Investments	2	793	-	-	86,513	87,306	91,868
Other income	6	285,133	-	-	-	285,133	-
Total income		1,125,971	-	175,790	606,513	1,908,274	2,364,146
Expenditure on:							
Raising funds	7	342,076	-	-	-	342,076	318,367
Charitable activities	8	580,460	285,067	577,142	2,305	1,444,974	1,577,671
Total expenditure		922,536	285,067	577,142	2,305	1,787,050	1,896,038
Net (losses)/gains on investments	16	-	-	(95,106)	(52,789)	(147,895)	324,115
Net income/(expenditure)		203,435	(285,067)	(496,458)	551,419	(26,671)	792,223
Transfers between funds	23/25	197,876	-	(122,363)	(75,513)	-	-
Net movement in funds		401,311	(285,067)	(618,821)	475,906	(26,671)	792,223
Reconciliation of funds:							
Fund balances brought forward	23/25	32,243	13,398,145	2,034,457	2,213,309	17,678,154	16,885,931
Fund balances carried forward	23/25	433,554	13,113,078	1,415,636	2,689,215	17,651,483	17,678,154

All recognised gains and losses are included within the above statement. All amounts relate to continuing activities.

The notes on pages 20 to 38 form part of these financial statements.

Consolidated Balance Sheet at 31 December 2020

	Note	2020	2019
		£	£
Fixed assets			
Tangible fixed assets	13	13,224,908	13,468,137
Heritage assets	15	272,442	267,442
Investments	16	2,661,167	2,809,062
Total fixed assets		16,158,517	16,544,641
Current assets			
Stocks	18	50,655	56,931
Debtors	19	241,725	391,048
Cash at bank and in hand		1,325,776	888,991
Total current assets		1,618,156	1,336,970
Liabilities			
Creditors falling due within one year	20	(125,190)	(203,457)
Net current assets		1,492,966	1,133,513
Net assets		17,651,483	17,678,154
The funds of the group:			
Unrestricted funds			
General fund	23	433,554	32,243
Designated Palace House fund	23	13,113,078	13,398,145
Restricted funds	25	1,415,636	2,034,457
Endowment funds	23	2,689,215	2,213,309
Total group funds		17,651,483	17,678,154

The financial statements on pages 16 to 38 were approved by the Trustees and authorised for issue on.....

..... Hon. Frances Stanley (Interim Chair of Trustees)

.....Annette Green (Trustee)

Charity Balance Sheet at 31 December 2020

	Note	2020	2019
		£	£
Fixed assets			
Tangible fixed assets	14	13,215,497	13,453,868
Heritage assets	15	272,442	267,442
Investments	16	2,661,168	2,809,063
Total fixed assets		16,149,107	16,530,373
Current assets			
Stocks	18	-	-
Debtors	19	308,775	375,319
Cash at bank and in hand		1,139,665	779,065
Total current assets		1,448,440	1,154,384
Liabilities			
Creditors falling due within one year	20	(109,831)	(169,897)
Net current assets		1,338,609	984,487
Net assets		17,487,716	17,514,860
The funds of the charity:			
Unrestricted funds			
General fund	24	269,787	(131,051)
Designated Palace House fund	24	13,113,078	13,398,145
Restricted funds	25	1,415,636	2,034,457
Endowment funds	24	2,689,215	2,213,309
Total charity funds		17,487,716	17,514,860

As permitted by s408 Companies Act 2006, the Charity has not presented its own profit and loss account and related notes as it prepares group accounts. The Charity's deficit for the year was £27,144 (2019: £765,575 surplus).

The financial statements on pages 16 to 38 were approved by the Trustees and authorised for issue on.....

..... Hon. Frances Stanley (Interim Chair of Trustees)

.....Annette Green (Trustee)

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Cash flow statements for the year ended 31 December 2020

	Note	2020		2019	
		Group £	Charity £	Group £	Charity £
Net cash provided by operating activities	a	429,330	353,145	841,948	820,124
Cash flows from investing activities					
Interest income		793	793	1,346	1,346
Investment income		86,513	86,513	90,522	90,522
Movement in investment cash		(11,355)	(11,355)	47,696	47,696
Purchase of investments		(492,512)	(492,512)	(579,712)	(579,712)
Purchase of tangible fixed assets		(75,986)	(75,986)	(37,077)	(23,753)
Purchase of heritage assets		(5,000)	(5,000)	(25)	(25)
Proceeds on disposal of tangible fixed assets		2,416	2,416	-	-
Proceeds on disposal of investments		502,586	502,586	32,016	32,016
Cash generated by/(used in) investing activities		7,455	7,455	(445,234)	(431,910)
Increase/(decrease) in cash and cash equivalents in year		436,785	360,600	396,714	388,214
Cash and cash equivalents at the beginning of the year		888,991	779,065	492,277	390,851
Cash and cash equivalents at the end of the year	b	1,325,776	1,139,665	888,991	779,065
Relating to:					
Cash at bank and in hand		1,325,776	1,139,665	888,991	779,065

Note a. Reconciliation of net movement in funds to net cash inflow from operating activities

	2020		2019	
	Group £	Charity £	Group £	Charity £
Net (expenditure)/income for the year	(26,671)	(27,144)	792,223	765,575
Depreciation charge	318,690	313,832	318,567	313,853
Profit on disposal of tangible fixed assets	(1,892)	(1,892)	-	-
Investment losses/(gains)	149,176	149,176	(324,115)	(324,115)
Investment income	(87,306)	(87,306)	(91,868)	(91,868)
Decrease in stock	6,276	-	11,675	-
Decrease in debtors	149,323	66,544	198,810	197,282
Decrease in creditors	(78,266)	(60,065)	(63,344)	(40,603)
Net cash provided by operating activities	429,330	353,145	841,948	820,124

Note b. Analysis of changes in net funds

	1 January 2020 £	Cash flow £	31 December 2020 £
CHARITY – Cash at bank and in hand	779,065	360,600	1,139,665
GROUP – Cash at bank and in hand	888,991	436,785	1,325,776

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with 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) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The National Horseracing Museum is a Charitable Company limited by guarantee, incorporated in England and Wales which 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 notes.

The financial statements are prepared in sterling, which is the functional currency of the Charitable Company. Monetary amounts in these financial statements are rounded to the nearest £.

Basis of consolidation

The consolidated financial statements incorporate the accounts of the Charitable Company and those of its trading subsidiary, Palace House Trading Ltd, for the year ended 31 December 2020 on a line by line basis. A separate Statement of Financial Activity (SOFA) is not presented because the Charitable Company has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006.

Going concern

The group finances its day to day operations primarily from grants and donations including an annual grant from Arts Council England within its National Portfolio where our qualifying status is next reviewed for 2023/24. In addition, in 2020 the Museum received an expendable endowment of £500,000 which can be utilised to meet ongoing costs and losses incurred as a result of the impact of the Covid-19 pandemic. The Trustees have prepared forecasts and projections through to 31 December 2022 based on a number of potential scenarios and after reviewing these forecasts and projections, at the time of approving these financial statements the Trustees have a reasonable expectation that the group has adequate resources to continue in operational existence for at least the next 12 months. The Trustees therefore consider it appropriate to continue to adopt the going concern basis in preparing the group's financial statements.

Income

All grants, donations and income from charitable activities are recognised when the Charitable Company is legally entitled to the income and the amount can be quantified with reasonable probability. Income is only deferred when admission fees or other income are received in advance.

Income from other trading activities is recognised as earned when the related goods and services are provided.

Investment income is recognised on a receivable basis.

Volunteers and donated services and facilities

The value of services provided by volunteers is not incorporated in these financial statements. Their valuable contribution is recognised in the Report of the Trustees.

There are no donated services or facilities to recognise in these financial statements. If services are provided to the Charitable Company as a donation that would normally be purchased from suppliers, these will be included in the financial statements at an estimate of the value of the contribution to the Charitable Company.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 *(Continued)*

1 ACCOUNTING POLICIES *(Continued)*

Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods and services when supplied or when a constructive obligation arises which results in the payment being unavoidable.

- Costs of raising funds are those costs incurred in running the Museum Café, Gift Shop, Tours and Fundraising Events and, in these consolidated accounts, include the costs incurred by the trading subsidiary.
- Charitable activities relate to the costs of running of the Museum.
- Support costs have been allocated to the relevant activity cost categories on a basis consistent with the use of those resources. This has been via an estimated percentage by the Trustees where it is not practical to identify actual costs.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to that category. The Charitable Company is partially culturally exempt, and irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Museum collections heritage assets

The collection consists of historic assets associated with horseracing. The value shown in the accounts is that of purchases added to the collection over a period of years. No value has been attributed to donated items added to the collection prior to 2005.

The Trustees consider that the historic nature of the collections, which is displayed in the National Horseracing Museum in furtherance of the Charitable Company's objects, is such that it is not appropriate to place a value on the entire collection, as the significant cost involved would be onerous compared with the additional benefit derived by the users of the financial statements.

No provision is made for diminution in value of the Museum collections, as in the opinion of the Trustees its value is maintained.

Tangible fixed assets and depreciation

Tangible fixed assets (those items purchased costing in excess of £350) are stated at cost, less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset on a straight-line basis, over its expected life as follows:

Leasehold property	- over 50 years
Computer equipment	- over 3 years
Other equipment/fixtures, fittings, furniture	- over 5 years
Motor vehicles	- over 5 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were the age and in the condition expected at the end of its useful life.

Tangible fixed assets are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in the net movement in funds.

Investments

Listed fixed asset investments are included in the balance sheet at their bid valuation, as advised by the Investment Managers, adjusted for permanent diminution in value. Realised and unrealised gains or losses from the respective sale and revaluation of investments are separately identified in the Statement of Financial Activities.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)

1 ACCOUNTING POLICIES (Continued)

Investment in subsidiary

In the separate accounts of the company, the interest in the subsidiary is initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

The interest in the subsidiary is assessed for impairment at each reporting date. Any impairment loss or reversal of impairment losses are recognised immediately in the net movement in funds.

Stock

Stock, being goods held for resale, is stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in first out basis. Net realisable value is based on estimated selling price.

Operating leases

Rental expenditure applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Basic financial assets including trade and other receivables are initially measured at transaction price (including transaction costs) and are subsequently carried at amortised cost using the effective interest method.

Financial instruments at fair value

Trade investments

Trade investments are equity investments over which the Company has no significant influence, joint control or control and are initially measured at transaction price. Transaction price includes transaction costs, except where trade investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred. Trade investments are measured at fair value through profit or loss, or cost less impairment if fair value cannot be measured reliably.

The fair value of trade investments quoted on a recognised stock exchange is the quoted bid price.

Financial liabilities

Basic financial liabilities, including trade and other payables are recognised at transaction price. Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities where payment is due within one year or less. If not, they are presented as creditors due after more than one year. Trade and other payables are subsequently measured at amortised cost.

Pensions

The Charitable Company contributes to the personal pension plans of certain employees. The cost is charged to the income and expenditure account as contributions fall due.

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments. The contributions payable by the group at year end are £3,932 (2019: £3,321), which is shown in other creditors.

Taxation

The Charitable Company is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)

1 ACCOUNTING POLICIES (Continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Fund accounting

The Charitable Company maintains various types of funds as follows:

Endowment funds

The HLF Catalyst endowment fund represents monies raised to establish a permanent endowment fund which will continue in perpetuity and only investment income from the endowment fund may be drawn upon for transfer to the General Fund. The expendable endowment fund relates to funds received towards an expendable endowment. The endowment can be used to help the Museum cover the costs of the COVID-19 pandemic.

Restricted funds

The restricted funds represent monies received to fund specific activities and to purchase certain items for the collection as set out in note 25 of the financial statements.

Unrestricted funds

General unrestricted funds represent monies which are expendable at the discretion of the Trustees in the furtherance of the objects of the Charitable Company. Such funds may be held in order to finance both working capital and capital investment.

Designated funds

The designated funds represent amounts which have been put aside out of unrestricted funds at the discretion of the Trustees. The designated fund relates to the representation of the lease of Palace House as explained in note 23.

Legal status of the Charitable Company

The Charitable Company has no share capital but is limited by guarantee. Every member of the Charitable Company is a guarantor and undertakes to contribute such amounts as may be required to the assets of the Charitable Company in the event of it being wound up. Each guarantor's liability is limited to £1.

Critical accounting estimates and areas of judgements

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 circumstance.

Critical accounting estimates and assumptions

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The carrying value of the Museum's collection of heritage assets is held at cost and not depreciated. In concluding that these assets are not impaired management makes estimates as to the current value of the assets and their value in use.

Critical areas of judgement

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Charitable Company as lessee.

The Charitable Company accounts for depreciation on leasehold property in accordance with FRS 102. Properties are depreciated over their estimated useful life, taking into account any residual value. Judgements are made on the residual values and estimated useful live of the assets which are regularly reviewed. The Trustees have taken the decision to hold the leasehold property in a separate designated fixed asset fund.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)

2 INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	2020 £	2019 £
Listed investments	-	-	-	86,513	86,513	90,522
Bank deposits	793	-	-	-	793	1,346
	<u>793</u>	<u>-</u>	<u>-</u>	<u>86,513</u>	<u>87,306</u>	<u>91,868</u>

3 INCOME FROM DONATIONS AND LEGACIES

	2020 £	2019 £
Restricted income		
Home of Horseracing Trust	-	40,000
Friends of the National Horseracing Museum	5,000	-
Racing Foundation	-	300,000
Rank Foundation	-	25,000
Wellcome Trust	-	(48)
NHLF Resilience	99,920	124,900
The Hon John Lambton Voluntary Settlement	-	1,000,000
CPG Graduate Scheme	25,000	-
Jim Joel Legacy Scheme	5,000	-
Breeders' display	10,000	-
HDH Wills 1965 Charitable Trust	5,000	-
Colchester Borough Council	25,870	11,074
Hunter Scholarship	-	1,500
	<u>175,790</u>	<u>1,502,426</u>
Endowment income		
HLF Catalyst Endowment Fund – Various donors	-	594
The Hon John Lambton Voluntary Settlement	500,000	-
Jim Joel Legacy Scheme	20,000	-
	<u>520,000</u>	<u>594</u>
Unrestricted income		
British Sporting Art Trust	30,859	27,395
Arts Council England	363,081	220,000
George IV donation	-	40,000
Fundraising events	34,156	23,240
Egerton Benefactors Scheme	13,597	3,550
Anne Duchess of Westminster's Fund	2,500	-
NHLF Resilience	153,400	-
Retraining of Racehorses	60,000	-
Other donations	36,498	34,054
	<u>694,091</u>	<u>348,239</u>
TOTAL DONATIONS AND LEGACIES	<u>1,389,881</u>	<u>1,851,259</u>

Details on the contribution of volunteers to the Charitable Company have been included within the Report of the Trustees, on page 9.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 *(Continued)*

4 INCOME FROM CHARITABLE ACTIVITIES

	2020 £	2019 £
Unrestricted income		
Admissions	60,285	160,385
Other income	7,066	2,333
	<u>67,351</u>	<u>162,718</u>

5 INCOME FROM OTHER TRADING OPERATIONS

	2020 £	2019 £
Sponsorships	-	22,000
Fundraising activities and events	-	10,000
Palace House Trading	78,603	226,301
	<u>78,603</u>	<u>258,301</u>

6 OTHER INCOME

	2020 £	2019 £
Government Coronavirus Job Retention Scheme	114,139	-
Government Local Restrictions Support Scheme	86,000	-
Insurance claim	84,994	-
	<u>285,133</u>	<u>-</u>

There are no unfulfilled conditions or other contingencies attaching to government grants received.

7 ANALYSIS OF EXPENDITURE ON RAISING FUNDS

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Other activities	513	-	-	-	513	1,147
Fundraising activities and events	183,010	-	-	-	183,010	12,849
Support costs	13,834	-	-	-	13,834	13,202
Palace House Trading	144,719	-	-	-	144,719	291,169
	<u>342,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>342,076</u>	<u>318,367</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)

8 ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Designated Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Wages	3,819	-	-	-	3,819	17,056
Exhibition and conservation costs	36,903	-	-	-	36,903	113,747
Support costs	539,738	577,142	285,067	2,305	1,404,252	1,446,868
	<u>580,460</u>	<u>577,142</u>	<u>285,067</u>	<u>2,305</u>	<u>1,444,974</u>	<u>1,577,671</u>

9 ALLOCATION OF GOVERNANCE AND SUPPORT COSTS

The Charitable Group allocates its support and governance costs as shown below. Support and governance costs are allocated on a basis consistent with the use of resources.

Support cost	Raising funds £	Charitable activities £	Total 2020 £	Total 2019 £
Wages and salaries	-	664,702	664,702	624,569
Property costs	1,403	177,554	178,957	198,524
Depreciation and profit on disposal	1,336	310,604	311,940	313,853
Advertising and publicity costs	1,638	65,552	67,190	56,199
Administration costs	9,457	185,840	195,297	266,925
	<u>13,834</u>	<u>1,404,252</u>	<u>1,418,086</u>	<u>1,460,070</u>

10 MOVEMENT IN TOTAL FUNDS FOR THE YEAR

	2020 £	2019 £
This is stated after charging:		
Auditor's remuneration: - statutory audit of charity	15,500	11,000
- statutory audit of subsidiary	4,500	3,000
Accountancy and corporation tax	5,490	5,190
Depreciation of tangible fixed assets	318,690	318,567
Profit on disposal of tangible fixed assets	1,891	-
Operating lease rentals – plant & machinery	15,374	11,140
	<u></u>	<u></u>

11 STAFF NUMBERS

	2020 Number	2019 Number
Administration	15	19
Visitor Services/Retail	22	21
	<u>37</u>	<u>40</u>

The above employee numbers include part-time staff. An estimate of the average number of full-time equivalent employees is 17 (2019: 25).

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)

12 STAFF COSTS, TRUSTEE REMUNERATION AND THE COST OF KEY MANAGEMENT PERSONNEL

	2020 £	2019 £
Wages and salaries	625,659	632,789
Social security costs	50,548	49,386
Pension costs	24,380	21,644
	<u>700,587</u>	<u>703,819</u>

The number of employees who earned £60,000 or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2020 Number	2019 Number
£70,001 - £80,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>

The Trustees of the Museum were not paid and did not receive any other benefits from employment with the Museum in the year (2019: £Nil). Reimbursed expenses for specific travel, accommodation and reimbursement of sundry expenses personally and properly incurred on behalf of the Museum during the year were £Nil (2019: £1,567). None of the Trustees received payment for professional or other services supplied to the Charitable Group (2019: £Nil).

The key management personnel of the Museum comprises the Museum Director (role has been renamed from Chief Executive Officer). The total employee remuneration, benefits and employer costs of the key management personnel of the Charitable Group were £172,021 (2019: £78,084). Due to staff crossover during the year, the 2020 figure relates to two members of staff compared to one staff member in 2019.

Included within wages and salaries are redundancy costs totalling £1,981 (2019: £25,451) for the group. These were due to positions no longer being required.

13 TANGIBLE FIXED ASSETS (GROUP)

	Land & Buildings £	Equipment Fixtures Fittings & Furniture £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 January 2020	14,253,346	270,996	49,236	14,573,578
Additions	-	75,986	-	75,986
Disposals	-	-	(4,500)	(4,500)
At 31 December 2020	14,253,346	346,982	44,736	14,645,064
<i>Depreciation</i>				
At 1 January 2020	855,201	205,667	44,573	1,105,441
Charge for the year	285,067	29,926	3,697	318,690
Eliminated on disposals	-	-	(3,975)	(3,975)
At 31 December 2020	1,140,268	235,593	44,295	1,420,156
<i>Carrying value</i>				
At 31 December 2020	13,113,078	111,389	441	13,224,908
At 31 December 2019	13,398,145	65,329	4,663	13,468,137

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 *(Continued)*

14 TANGIBLE FIXED ASSETS (CHARITY)

	Land & Buildings £	Equipment Fixtures Fittings & Furniture £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 January 2020	14,253,346	248,834	49,237	14,551,417
Additions	-	75,986	-	75,986
Disposals	-	-	(4,500)	(4,500)
At 31 December 2020	14,253,346	324,820	44,737	14,622,903
<i>Depreciation</i>				
At 1 January 2020	855,201	197,775	44,573	1,097,549
Charge for the year	285,067	25,068	3,697	313,832
Eliminated on disposals	-	-	(3,975)	(3,975)
At 31 December 2020	1,140,268	222,843	44,295	1,407,406
<i>Carrying value</i>				
At 31 December 2020	13,113,078	101,977	442	13,215,497
At 31 December 2019	13,398,145	51,059	4,664	13,453,868

15 HERITAGE ASSETS (CHARITY AND GROUP)

	2016 £	2017 £	2018 £	2019 £	2020 £
<i>Cost</i>					
1 January 2020	259,452	262,142	264,917	267,417	267,442
Additions	2,690	2,775	2,500	25	5,000
31 December 2020	262,142	264,917	267,417	267,442	272,442

During the year, there were recognised additions of £5,000 (2019: £25) donated by the Friends of the National Horseracing Museum, as referred to on page 4.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)

16 FIXED ASSETS INVESTMENTS (CHARITY AND GROUP)

	Shares in subsidiary £	Investment Portfolio Restricted	Investment Portfolio Endowment £	2020 £	2019 £
Market value 1 January 2020	1	586,805	2,205,034	2,791,840	1,920,029
Additions	-	-	492,512	492,512	579,712
Disposal proceeds	-	-	(502,586)	(502,586)	(32,016)
Realised and unrealised investment losses)/gains	-	(95,106)	(54,070)	(149,176)	324,115
Market value					
31 December 2020	1	491,699	2,140,890	2,632,590	2,791,840
Cash	-	2,153	26,425	28,578	17,223
Total investments at 31 December 2020	1	493,852	2,167,315	2,661,168	2,809,063
Group	-	493,852	2,167,315	2,661,167	2,809,062
Charity	1	493,852	2,167,315	2,661,168	2,809,063
Historical cost of investments held at 31 December 2020					
Group	-	548,171	2,017,460	2,565,631	2,565,631
Charity	1	548,171	2,017,460	2,565,632	2,565,632

17 INVESTMENT IN SUBSIDIARY – CHARITY

Cost at 1 January and 31 December 2020	£ 1
--	---------------

The following was a subsidiary undertaking throughout the year and has been included in the consolidated financial statements:

Name of undertaking	Registered office	Class of shareholding	Proportion of nominal value held directly	Nature of business
Palace House Trading Limited (10343747)	Palace House, Palace Street, Newmarket, Suffolk CB8 8EP	Ordinary	100%	Retail, restaurant, café and event catering services

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 *(Continued)*

17 INVESTMENT IN SUBSIDIARY – CHARITY (CONTINUED)

Financial statements of the company will be filed with the Registrar of Companies. The company's results for the year ended 31 December 2020 are shown below:

	2020	2019
	£	£
Turnover	78,603	226,301
Cost of sales	(34,808)	(86,547)
Gross profit	43,795	139,754
Administrative expenses	(109,904)	(204,622)
Other operating income	66,589	-
Interest payable	(7)	-
Profit/(loss) before taxation	473	(64,868)
Tangible fixed assets	9,411	14,269
Current assets	239,395	182,586
Current liabilities	(478,648)	(427,170)
Net liabilities/capital and reserves	(229,842)	(230,315)

18 STOCK

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Goods held for resale	50,655	56,931	-	-

19 DEBTORS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	4,458	5,258	2,587	3,384
Amounts owed by subsidiary	-	-	69,679	-
Other debtors	110,717	20,337	110,670	9,543
Prepayments and accrued income	126,550	365,453	125,839	362,392
	241,725	391,048	308,775	375,319

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 *(Continued)*

20 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	33,913	105,988	28,597	78,237
Other creditors	32,324	30,385	32,181	30,265
Other taxes and social security	14,550	23,576	14,035	22,947
Accruals and deferred income	44,403	43,508	35,018	38,448
	125,190	203,457	109,831	169,897

21 GROUP ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Heritage Assets	Other tangible fixed assets	Investments	Net current assets	Total 2020
	£	£	£	£	£
General fund	135,753	111,830	20,455	165,516	433,554
Designated funds	-	13,113,078	-	-	13,113,078
Restricted funds	136,689	-	493,852	785,095	1,415,636
Endowment fund	-	-	2,146,860	542,355	2,689,215
	272,442	13,224,908	2,661,167	1,492,966	17,651,483

Prior year -

	Heritage Assets	Other tangible fixed assets	Investments	Net current assets	Total 2019
	£	£	£	£	£
General fund	135,753	69,992	7,040	(180,542)	32,243
Designated funds	-	13,398,145	-	-	13,398,145
Restricted funds	131,689	-	588,713	1,314,055	2,034,457
Endowment fund	-	-	2,213,309	-	2,213,309
	267,442	13,468,137	2,809,062	1,133,513	17,678,154

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 *(Continued)*

22 CHARITY ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Heritage Assets £	Other tangible Fixed assets £	Investments £	Net current assets £	Total 2020 £
General fund	135,753	102,419	20,455	11,160	269,787
Designated funds	-	13,113,078	-	-	13,113,078
Restricted funds	136,689	-	493,853	785,094	1,415,636
Endowment fund	-	-	2,146,860	542,355	2,689,215
	<u>272,442</u>	<u>13,215,497</u>	<u>2,661,168</u>	<u>1,338,609</u>	<u>17,487,716</u>

Prior year –

	Heritage Assets £	Other tangible fixed assets £	Investments £	Net current assets £	Total 2019 £
General fund	135,753	55,723	7,040	(329,567)	(131,051)
Designated funds	-	13,398,145	-	-	13,398,145
Restricted funds	131,689	-	588,714	1,314,054	2,034,457
Endowment fund	-	-	2,213,309	-	2,213,309
	<u>267,442</u>	<u>13,453,868</u>	<u>2,809,063</u>	<u>984,487</u>	<u>17,514,860</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 *(Continued)*

23 GROUP ANALYSIS OF MOVEMENTS IN UNRESTRICTED, DESIGNATED AND ENDOWMENT FUNDS

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 December 2020 £
General fund	32,243	1,125,971	(922,536)	197,876	-	433,554
Designated funds:						
Palace House fund	13,398,145	-	(285,067)	-	-	13,113,078
Endowment funds:						
HLF Catalyst Endowment Fund	2,213,309	86,513	(2,305)	(86,513)	(52,789)	2,158,215
Expendable endowment	-	500,000	-	-	-	500,000
Jim Joel Legacy Scheme	-	20,000	-	11,000	-	31,000
	<u>15,643,697</u>	<u>1,732,484</u>	<u>(1,209,908)</u>	<u>122,363</u>	<u>(52,789)</u>	<u>16,235,847</u>

Prior year –

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 December 2019 £
General fund	465,195	750,604	(1,379,525)	195,969	-	32,243
Designated funds:						
Arts Council	14,964	-	-	(14,964)	-	-
Palace House fund	13,683,212	-	(285,067)	-	-	13,398,145
Endowment fund	1,935,067	91,116	(7,366)	(90,514)	285,006	2,213,309
	<u>16,098,438</u>	<u>841,720</u>	<u>(1,671,958)</u>	<u>90,491</u>	<u>285,006</u>	<u>15,643,697</u>

The designated Palace House fund reflects the net book value of the operating premises.

All capital raised for the Heritage Lottery Fund Endowment Fund will form a permanent fund. The investment income of £86,513 (2019: £90,514) derived from this fund is eligible for transfer to the General Fund and was so transferred.

Transfers of £119,477 to unrestricted funds represent the movement of funds on restricted reserves where restrictions have been discharged during the year and so can now be treated as unrestricted. A transfer of £8,114 was also made from unrestricted funds to restricted funds relating to furlough income received during the year for restricted staff.

The expendable endowment fund relates to funds received towards an expendable endowment, the endowment can be used to help the Museum cover the costs of the COVID-19 pandemic. Transfers of £11,000 have been made to the endowment element of the Jim Joel Legacy Scheme from the restricted fund.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)

24 CHARITY ANALYSIS OF MOVEMENTS IN UNRESTRICTED, DESIGNATED AND ENDOWMENT FUNDS

	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 December 2020 £
General fund	(131,051)	980,779	(777,817)	197,876	-	269,787
Designated funds:						
Palace House fund	13,398,145	-	(285,067)	-	-	13,113,078
Endowment funds:						
HLF Catalyst Endowment Fund	2,213,309	86,513	(2,305)	(86,513)	(52,789)	2,158,215
Donations to the expendable endowment	-	500,000	-	-	-	500,000
Jim Joel Legacy Scheme	-	20,000	-	11,000	-	31,000
	15,480,403	1,587,292	(1,065,189)	122,363	(52,789)	16,072,080

Prior year –

	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 December 2019 £
General fund	328,549	524,303	(1,179,872)	195,969	-	(131,051)
Designated funds:						
Arts Council	14,964	-	-	(14,964)	-	-
Palace House fund	13,683,212	-	(285,067)	-	-	13,398,145
Endowment fund	1,935,067	91,116	(7,366)	(90,514)	285,006	2,213,309
	15,961,792	615,419	(1,472,305)	90,491	285,006	15,480,403

The designated Palace House fund reflects the net book value of the operating premises.

All capital raised for the Heritage Lottery Fund Endowment Fund will form a permanent fund. The investment income of £86,513 (2019: £90,514) derived from this fund is eligible for transfer to the General Fund and was so transferred.

Transfers of £119,477 to unrestricted funds represent the movement of funds on restricted reserves where restrictions have been discharged during the year and so can now be treated as unrestricted. A transfer of £8,114 was also made from unrestricted funds to restricted funds relating to furlough income received during the year for restricted staff.

The expendable endowment fund relates to funds received towards an expendable endowment, the endowment can be used to help the Museum cover the costs of the COVID-19 pandemic. Transfers of £11,000 have been made to the endowment element of the Jim Joel Legacy Scheme from the restricted fund.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)

25 ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS

Charity and Group	Balance at 1 January 2020 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 December 2020 £
1) Museum Collection Purchases	131,689	5,000	-	-	-	136,689
2) Exhibition Donations	13,439	-	-	-	-	13,439
3) Project Posts Funding	140,714	-	(60,463)	(5,635)	-	74,616
4) Relocation Funds	(13,875)	-	-	-	-	(13,875)
5) Education Funds	11,184	55,870	(25,870)	(8,418)	-	32,766
6) Other	9,414	-	(1,746)	-	-	7,668
7) HLF Resilience	72,802	99,920	(113,128)	8,114	-	67,708
8) Completion of Permanent Galleries	368,204	10,000	(108,862)	(88,764)	(2,620)	177,958
9) Retraining of Racehorses	27,660	-	-	(27,660)	-	-
10) The Hon John Lambton Voluntary Settlement	1,033,079	-	(20,726)	-	(92,486)	919,867
11) Rank Foundation	15,147	-	(16,347)	-	-	(1,200)
12) Racing Foundation	225,000	-	(225,000)	-	-	-
13) Jim Joel Legacy Scheme	-	5,000	(5,000)	-	-	-
	<u>2,034,457</u>	<u>175,790</u>	<u>(577,142)</u>	<u>(122,363)</u>	<u>(95,106)</u>	<u>1,415,636</u>

Transfers of £119,477 to unrestricted funds represent the movement of funds on restricted reserves where restrictions have been discharged during the year and so can now be treated as unrestricted. A transfer of £8,114 was also made from unrestricted funds to restricted funds relating to furlough income received during the year for restricted staff. A transfer of £11,000 has been made to the endowment element of the Jim Joel Legacy Scheme.

Prior year –

Charity and Group	Balance at 1 January 2019 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 December 2019 £
1) Museum Collection Purchases	131,689	-	-	-	-	131,689
2) Exhibition Donations	13,439	-	-	-	-	13,439
3) Project Posts Funding	201,692	13,643	(28,846)	(45,775)	-	140,714
4) Relocation Funds	(41,995)	26,309	-	1,811	-	(13,875)
5) Education Funds	13,154	11,074	(13,630)	586	-	11,184
6) Other	8,870	1,500	(956)	-	-	9,414
7) HLF Resilience	(1,561)	124,900	(50,537)	-	-	72,802
8) Completion of Permanent Galleries	432,740	-	(23,453)	(47,113)	6,030	368,204
9) Retraining of Racehorses	29,465	-	(1,805)	-	-	27,660
10) Stubbs Exhibition	-	20,000	(20,000)	-	-	-
11) The Hon John Lambton Voluntary Settlement	-	1,000,000	-	-	33,079	1,033,079
12) Rank Foundation	-	25,000	(9,853)	-	-	15,147
13) Racing Foundation	-	300,000	(75,000)	-	-	225,000
	<u>787,493</u>	<u>1,522,426</u>	<u>(224,080)</u>	<u>(90,491)</u>	<u>39,109</u>	<u>2,034,457</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)

25 ANALYSIS OF MOVEMENTS IN RESTRICTED FUNDS (Continued)

1) Museum Collection Purchases

Represents amounts received from the Friends of the National Horseracing Museum for the purpose of acquiring items for the permanent collection. £136,689 is represented by heritage assets and is considered to have been fully spent in accordance with the terms of the original restriction.

2) Exhibition Donations

This fund is for amounts received for expenditure relating to specific exhibitions.

3) Project Posts Funding

Income which has been acquired for a fixed period for the purpose of project development and funding additional employee costs in relation to the project.

4) Relocation Funds

These funds are monies received to facilitate costs incurred in relation to the move to the Palace House site. The deficit on this fund will be resolved through the continued support of the Home of Horseracing Trust.

5) Education Funds

Monies received to facilitate continued employment of Education Officer, education activities and marketing of the education function.

6) Other

Various smaller grants and donations received for specific purposes.

7) NLHF Resilience

Grant from the National Lottery Heritage Fund to develop new commercial income through the implementation of a new marketing strategy.

8) Completion of Permanent Galleries

Funds received to facilitate works to complete and improve the galleries and visitor experience.

9) Retraining of Racehorses

Grant monies receivable from Retraining of Racehorses for retraining racehorses' onsite.

10) The Hon John Lambton Voluntary Settlement

Grant awarded to assist with the costs of refurbishing the Lecture Hall and Mews Building to be more attractive to visitors. Any monies not spent on the refurbishment will be added to the endowment fund.

11) Rank Foundation

Rank Foundation fund is to support the continued employment of the community engagement and volunteering manager.

12) Racing Foundation

Funding received for the implementation of the sustainability plan.

13) Jim Joel Legacy Scheme

The Jim Joel Legacy Scheme has been developed for those wishing to leave a donation to the Museum from their estate, in their will. The inaugural donation was received from the Childwick Trust on behalf of Jim Joel, securing the naming rights. The scheme will include general unrestricted and restricted funds according to the wishes of the donor.

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)

26 RELATED PARTY TRANSACTIONS

An independent and separately registered charity exists in connection with the National Horseracing Museum in the name of The Friends of the National Horseracing Museum, (charity registration number 291154). Given its independence the Friends' results are not incorporated within these financial statements.

During the year donations were made by the Friends of the National Horseracing Museum of £5,000 (2019: £25) to the collection.

The Charitable Company is a member of Discover Newmarket, a community interest company (registration number 9362242). During the year income of £1,248 (2019: £12,408) was derived from this association in the form of admissions and cafe revenue and purchases in the year totalled £5,693 (2019: £12,963). At the year end, a balance of £163 (2019: £163) was owed to the Museum by this entity.

With the consent of the Charity Commission, Trustees indemnity insurance has been purchased as a part of the insurance cover of the Charitable Company as a whole and is not separately identified within total insurance costs of £23,444 (2019: £24,271).

During the year the Charitable Company recharged costs of £Nil (2019: £33,604) to its subsidiary Palace House Trading Ltd and provided against balances owed by the subsidiary of £69,679 (2019: £91,516). At the year end, balances of £393,610 (2019: £393,610) owed by the subsidiary have been provided against and no balance was recognised in debtors from the subsidiary to the Charitable Company.

Donations from Trustees in the year totalled £8,250 (2019: £49,000), of which £8,250 (2019: £9,000) is within accrued income at the year end.

27 FINANCIAL INSTRUMENTS

The carrying amount of the Group and Charity's financial instruments at 31 December were:

	2020	2019
	£	£
<i>Financial assets:</i>		
Measured at fair value through SOFA	<u>2,661,167</u>	<u>2,809,062</u>

THE NATIONAL HORSERACING MUSEUM
(A Charitable Company limited by guarantee and not having share capital)

Notes forming part of the financial statements for the year ended 31 December 2020 *(Continued)*

28 ANALYSIS OF PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES BY FUND

	Unrestricted £	Designated £	Restricted £	Endowment £	Total 2019 £
Income from:					
Grants and donations	348,239	-	1,502,426	594	1,851,259
Charitable activities	162,718	-	-	-	162,718
Other trading activities	238,301	-	20,000	-	258,301
Investments	1,346	-	-	90,522	91,868
Total income	750,604	-	1,522,426	91,116	2,364,146
Expenditure on:					
Costs of raising funds	317,924	-	308	135	318,367
Charitable activities	1,061,601	285,067	223,772	7,231	1,577,671
Total expenditure	1,379,525	285,067	224,080	7,366	1,896,038
Net gains on investments	-	-	39,109	285,006	324,115
Net (expenditure)/income	(628,921)	(285,067)	1,337,455	368,756	792,223
Transfers between funds	195,969	(14,964)	(90,491)	(90,514)	-
Net movement in funds	(432,952)	(300,031)	1,246,964	278,242	792,223
Reconciliation of funds:					
Fund balances brought forward	465,195	13,698,176	787,493	1,935,067	16,885,931
Fund balances carried forward	32,243	13,398,145	2,034,457	2,213,309	17,678,154