



(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)

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THE NATIONAL HORSERACING MUSEUM
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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

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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.

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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.

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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.

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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.

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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.

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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

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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.

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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.

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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
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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.

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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 life 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	<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
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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
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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
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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

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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
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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
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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
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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
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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.

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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
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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
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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