

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

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

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

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

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

THE NATIONAL HORSERACING MUSEUM
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees present their annual report together with the audited financial statements of the Company for the year 1 January 2023 to 31 December 2023. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

Objectives and activities

a. Policies and objectives

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

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

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

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

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

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

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

b. Activities undertaken to achieve objectives

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

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

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

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

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FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

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

c. Volunteers

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

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

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

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

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

Achievements and performance

a. Main achievements of the Company

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

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

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

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FOR THE YEAR ENDED 31 DECEMBER 2023

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

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

b. Key performance indicators

Increased number of visitors

Increased number of education/community engagement

Reduction in expenditure

Balanced budget

c. Review of activities

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

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

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

d. Factors relevant to achieve objectives

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

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

e. Fundraising activities and income generation

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

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

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

f. Investment policy and performance

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

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

Financial review

a. Going concern

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

b. Reserves policy

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

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

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

Structure, governance and management

a. Constitution

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

b. Methods of appointment or election of Trustees

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

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

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

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

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

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

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

c. Organisational structure and decision-making policies

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

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

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

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

d. Policies adopted for the induction and training of Trustees

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

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FOR THE YEAR ENDED 31 DECEMBER 2023

e. Pay policy for key management personnel

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

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

f. Related party relationships

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

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

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

Plans for future periods

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

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

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

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

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

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

Statement of Trustees' responsibilities

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

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

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

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

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

Disclosure of information to auditors

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

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

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

Auditors

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

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



Hon. Frances Caroline Stanley
(Chair of Trustees)

Date:

23/9/24

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

Opinion

We have audited the financial statements of The National Horseracing Museum (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2023 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

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

Responsibilities of trustees

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Giles Kerkham (Senior statutory auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors

1 Claydon Business Park

Great Blakenham

Ipswich

IP6 0NL

Date: 24/9/2024

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

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

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

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

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

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

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

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2023

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

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

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

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

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



Hon. Frances Caroline Stanley
(Chair of Trustees)

Date: 23/9/24

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

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

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2023

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

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

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

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

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

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

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



Hon. Frances Caroline Stanley
(Chair of Trustees)

Date:

23/9/24

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

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

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

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

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

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

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

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The National Horseracing Museum is a Charitable Company limited by guarantee, incorporated in England and Wales which meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

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

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

2.2 Basis of consolidation

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

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

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

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.3 Going concern

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

2.4 Income

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

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

Investment income is recognised on a receivable basis.

2.5 Volunteers and donated services facilities

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

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

2.6 Expenditure

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

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

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.7 Irrecoverable VAT

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

2.8 Museum collections heritage assets

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

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

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

2.9 Tangible fixed assets and depreciation

Tangible fixed assets costing £350 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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

Depreciation is provided on the following bases:

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

2.10 Investments

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

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.11 Investment in subsidiary

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

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

2.12 Stocks

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

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

2.13 Operating leases

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

2.14 Financial instruments

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

Financial assets

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

Financial instruments at fair value

Investments

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

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

Financial liabilities

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

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.15 Pensions

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

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

2.16 Taxation

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

2.17 Government grants

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

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

2.18 Interest receivable

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

2.19 Debtors

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

2.20 Cash at bank and in hand

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

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

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

2. Accounting policies (continued)

2.21 Liabilities and provisions

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

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

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

2.22 Fund accounting

The Charitable Company maintains various types of funds as follows:

Endowment funds

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

Restricted funds

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

Unrestricted funds

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

Designated funds

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

2.23 Legal status of the Charitable Company

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

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions

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

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

Critical areas of judgement

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

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

4. Income from donations and legacies

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

THE NATIONAL HORSERACING MUSEUM
(A company limited by guarantee)

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

5. Income from charitable activities

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

6. Income from other trading activities

Income from fundraising events

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

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

6. Income from other trading activities (continued)

Income from non charitable trading activities

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

7. Investment income

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

8. Other incoming resources

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

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

9. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2023 £	Total funds 2023 £	<i>Total funds 2022 £</i>
Fundraising costs	171,001	171,001	191,281

Other trading expenses

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

10. Analysis of expenditure by activities

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

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

10. Analysis of expenditure by activities (continued)

Analysis of direct costs

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

Analysis of support costs

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

11. Auditors' remuneration

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

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

12. Staff costs

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

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

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

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

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

13. Trustees' remuneration and expenses

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

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

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

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

14. Tangible fixed assets

Group

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

Company

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

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

14. Tangible fixed assets (continued)

Company (continued)

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

15. Heritage assets

Group and Company

Assets recognised at cost

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

THE NATIONAL HORSERACING MUSEUM
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NOTES TO THE FINANCIAL STATEMENTS
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15. Heritage assets (continued)

Group and Company (continued)

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

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

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

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

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

Analysis of heritage asset transactions

Group and Company

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

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16. Fixed asset investments

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

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

16. Fixed asset investments (continued)

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

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

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

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

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

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FOR THE YEAR ENDED 31 DECEMBER 2023**

17. Stocks

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

18. Debtors

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

19. Creditors: Amounts falling due within one year

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

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NOTES TO THE FINANCIAL STATEMENTS
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20. Prior year adjustments

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

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

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

21. Statement of funds

Statement of funds - current year

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

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

Statement of funds - current year (continued)

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

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NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

Designated funds

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

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

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

Endowment funds

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

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

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

Income from endowments is recognised within income funds.

Restricted funds

Museum Collection Purchases

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

Exhibition Donations

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

Project Posts Funding

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

Education Funds

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

Completion of Permanent Galleries

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

National Hunt Scheme

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

Racing Foundation

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

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

NLHF

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

Retaining of racehorses

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

Transfers

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

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

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

Statement of funds - prior year

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

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Statement of funds (continued)

Endowment funds

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

Restricted funds

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

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

21. Statement of funds (continued)

Statement of funds - prior year (continued)

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

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

22. Summary of funds

Summary of funds - current year

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

Summary of funds - prior year

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

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

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

Analysis of net assets between funds - prior year

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

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

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

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

25. Analysis of cash and cash equivalents

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

26. Analysis of changes in net debt

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

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27. Pension commitments

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

28. Related party transactions

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

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

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

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

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

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

29. Funds held for third parties

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

