National Horseracing College Limited

England & Wales · Charity number 700405

Details

Other names	NORTHERN RACING COLLEGE, SOUTH YORKSHIRE TRAINING TRUST
Status	Registered
Legal form	Charitable company
Company number	02266267
Registered	1988-07-08
Register	View on the Charity Commission register

Contact

Address	National Horseracing College The Stables Great North Road Rossington Doncaster South Yo
Phone	01302861000
Email	info@northernracingcollege.co.uk
Website	www.northernracingcollege.co.uk

Activities

Objects: 1) TO ADVANCE EDUCATION, PARTICULARLY AMONG YOUNG PERSONS2) TO RELIEVE THE NEED OF UNEMPLOYED PERSONS PARTICULARLY YOUNG PERSONS (SEE MEMORANDUM OF ASSOCIATION FOR DETAILS)

Activities: The objects of the charity are to advance education, particularly among young persons, and to relieve the need of unemployed persons by the provision of vocational and academic training connected with the horse racing, equestrian, agricultural, horticultural and their allied areas. The charity has two specific mission statements in its Corporate Plan.

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Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People, Other Defined Groups

Geography

- Doncaster

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£3,897,501	£3,580,381	£3,288,626	66
2024-07-31	£3,565,643	£3,362,799	£3,600,506	62
2023-07-31	£3,094,701	£3,272,109	£3,205,662	59
2022-07-31	£2,716,418	£2,793,857	£2,740,070	51
2021-07-31	£2,768,243	£2,558,991	£1,280,509	48
2020-07-31	£2,738,773	£2,463,970	£828,257	46

Trustees

Name	Role	Appointed
Sir Philip Davies	Chair	2026-03-04
Callum Helliwell		2021-12-08
David Carr		2024-09-25
Dr Helen Elizabeth McCarthy PhD FHEA		2021-06-02
Francis Stephenson		2022-06-08
JAMES HETHERTON		
JEFF ENNIS		
Sally Iggulden		2017-12-06
Susannah C Gill		2015-03-05
William Pieter Rachmann		2026-03-04

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National Horseracing College Limited

England & Wales - Charity number 700405

Accounts

COMPANY REGISTRATION NUMBER: 02266267
CHARITY REGISTRATION NUMBER: 700405

National Horseracing College Limited

Company Limited by Guarantee

Trustees Report and Financial Statements

31 July 2025

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COMPANIES HOUSE

National Horseracing College Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 July 2025

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National Horseracing College Limited

Company Limited by Guarantee

Trustees' Annual Report

Year ended 31 July 2025

Reference and administrative details of the company, its Trustees and advisers

Registered charity name	National Horseracing College Limited	
Charity registration number	700405	
Company registration number	02266267	
Principal office and registered office	The Stables Rossington Hall Great North Road Doncaster South Yorkshire DN11 0HN	
The trustees	Mr Gerard Sutcliffe, Chairman Mr Howard Wright, Deputy Chairman Mr Timothy Lyle Mr James Hetherton Mr Jeffrey Ennis The Honourable Oliver Greenall Ms Susannah Gill Ms Sally Iggulden Dr Helen McCarthy Mr Francis Stephenson Mr Callum Helliwell Mr David Carr Mr William Rachmann	 (Resigned 16 August 2024) (Resigned 6 May 2025) (Appointed 25 September 2024) (Appointed 4 March 2026)
Vice Presidents	The Rt Hon Richard Caborn Ms Julie Krone	
Patron	Countess of Halifax	
Chief Executive Officer	Mr Stephen Padgett OBE	
Independent Auditor	SMH Group Audit Statutory auditor 5 Westbrook Court Sharrow Vale Road Sheffield S11 8YZ	
Bankers	Virgin Money 19 Sepulchre Gate, Doncaster, DN1 1SJ	
Solicitors	Jordans 4 Priory Place, Doncaster, DN1 1BP	
Pension Administrators	South Yorkshire Pensions Authority Oakwell House, 2 Beevor Court, Pontefract Road, Barnsley, S71 1HG	

OVERVIEW

Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 July 2025, the College's 41st year in operation.

From August 2019, the rebrand to The National Horseracing College has continued to broaden the reach of the College to meet national and regional priorities. While the National Horseracing College operates its residential facility in Doncaster, learners come from all over the UK, occasionally from overseas also, and go on to work in all areas where employer demand and apprenticeship job opportunities exist. During the academic year covered by this report the College sustained its strong performance delivered last year. While overall numbers of learners have not increased, improved throughput continues and retention rates remain high. Results exceed national averages across the board. The College continues to drive forward with growth, improved achievements, and progressions.

Despite disadvantage, which is significant in some cases and with low starting points, many learners excel in their achievements and progression. However, many learners also face challenges in meeting standards of work and attitudes necessary for progression from learning to employment due to their lack of resilience, social awkwardness and poor mental health. As a consequence, promotion of emotional health and resilience has become a real focus for both staff and learners; a highly qualified College Counsellor has been appointed and plays a key role. In 2024/25, 27% of learners identified themselves as having mental health problems.

The College has made great strides in improving its financial security, its growth and its value to the British Horseracing Authority. The industry and its employers recognise the importance of this training provision to prepare the next generation of stable staff employees and jockeys. Through Horserace Betting Levy Board (HBLB) and BHA contracts, the racing industry provides an important proportion of the College's annual revenue, enabling the ongoing development of provision. For those who do not enter racing, the College has improved positive progressions into further learning and employment opportunities, in particular non-racing apprenticeships.

The operating surplus for the year was £317,120 on total income of £3,897,501.

OBJECTIVES AND ACTIVITIES

Policies and objectives

The objects of the charity are to advance education, particularly among young persons, and to relieve the need of unemployed persons by the provision of vocational and academic training connected with the horse racing, equestrian, agricultural, horticultural and their allied areas.

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)'

Strategies for achieving objectives

- Provide accessible and inclusive training opportunities for people wanting to work in the horse racing industry.
- Ensure training is realistic and relevant but delivered progressively to develop learners to be ready for work.
- Provide a supportive, encouraging environment around that training enabling as many learners as possible to achieve their goals.

- Engage widely and collaboratively with employers across the industry to maximise learners' chances of gaining and keeping paid employment.
- Promote constructive behaviours and positive attitudes in all that we do.
- Make the very best of resources available to optimise the College's contribution to public benefit.

Activities undertaken to achieve objectives

- Recruit widely and remove as many barriers as possible that could deter potential learners.
- Provide bursaries and other practical support to ensure those with limited resources can access training opportunities.
- Provide intensive residential Foundation Courses covering a comprehensive syllabus that prepares them for the jobs that are available.
- Deliver life skills training to increase learners' resilience, confidence and independence.
- Match learners with the most appropriate employment opportunities to optimise their chances of satisfaction and success.
- Provide ongoing support in the workplace to enable further learner development (apprenticeships) and aid worker retention.

Main activities undertaken to further the company's purposes for the public benefit

The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aim and objectives and in planning our future activities. In particular, the trustees consider its investment into its chosen workstreams of Workforce and Community Investment contribute towards its objectives through providing a public benefit.

The National Horseracing College (NHC) is the only specialist training provider to the horse racing industry in the north of England and one of only two in the United Kingdom. The College offers a variety of training courses designed to meet industry needs. It has a reputation for delivering high quality staff, many of whom go on to have long careers in a wide variety of roles in racing.

PRIORITIES

The highest single priority is that the College fulfils its duty of care to learners on its training programmes and to staff.

Beyond that however, the priority continues to be ensuring the viability of the business. This requires:

- Sustainment or enhancement of the credibility of the NHC's training offer as perceived by potential learners and by all in the industry.
- Vigorous marketing of training opportunities leading to the recruitment of learners to fill the courses available.
- Rigorous management of costs and relentless pursuit of all available income sources.

CONTEXT

Overheads

The NHC has, like most businesses, experienced rising costs. Unlike some, it cannot simply pass on those costs by increasing charges to its customers. While salaries are the biggest single element of the NHC's overhead, despite its very lean organisational structure, the College's workforce is its greatest asset and is vital to its ability to deliver on its priorities described above. The recurring imposition of increases in the National Living Wage (NLW) have seen more staff included in that bracket and added meaningfully to the overall salary bill. Increasing numbers of staff whose salaries recognised the responsibilities they hold, see the pay difference relative to colleagues on NLW eroded or eliminated. Unsurprisingly, some wonder what incentive there is for them to continue to fulfil those extra responsibilities or they seek pay rises to preserve differential rates. These additional overheads are imposed without any corresponding improvements for the business.

Efficiency

Many years of delivering training to a high standard with very limited resources, including having to self-generate (grants, fundraising, charity, trading) around 20% of revenue, mean that the College's operations are lean and efficient. If savings are identified, they are taken. The opportunities to make further cuts are limited to non-existent without adversely affecting outputs in terms of numbers and standards.

Revenue

Government Funding – The NHC's ESFA contract has, for many years, accounted for around 40% of revenue. Effectively, it subsidises training for the racing industry. A condition of funding is that the College is subject to inspections by OFSTED to ensure it meets rigorous standards, many of which are unrelated to the requirements of racing. The size and value of the contract are dictated by the ESFA without reference to the training needs of the industry, the capacity of the College or the costs of delivery. Most of the Government money supports only young people (up to age 18), covers only partially the cost of the training delivered and cannot be relied upon to keep pace with the costs of delivery, let alone contribute to physical or procedural improvements. The NHC has been able to grow its ESFA contract and thus increase the amount of money it can draw from Government due to the increased attendance on its FC and the continued success of its Doncaster Equine College (DEC) Programme. The DEC Programme, run entirely under the umbrella of the NHC, allows more effective use to be made of many resources that have to exist anyway to enable training relating to racing pathways.

Industry Contract – In previous years, the College has had a single contract with the industry represented by the BHA and although that accounted for around 40% of total revenue, the largest portion, around 80% of the 40%, came from the Horserace Betting Levy Board (HBLB). The remainder came from the BHA which takes deductions from prize money won by owners, trainers and jockeys. During this reporting period, the process has changed and the Levy Board now has a direct contract with the NHC and requires quarterly reporting against a range of KPIs.

Fundraising – As reported before, the College has had more difficulty fundraising in the years since the pandemic. Determining the reasons is not an exact science but we perceive that it may be a combination of increased demand by needy causes, businesses and individuals feeling they have less spare money to donate and some donors being nervous about associating themselves with horseracing as a sport and with its links to gambling. In addition, grant-making bodies, within and external to racing, often seem to be more willing to embrace and establish new initiatives and opportunities rather than provide money for core business.

Commercial Opportunities – The NHC takes every opportunity to 'sweat its assets'. Trading that will generate income is pursued wherever possible, such as by letting facilities, farming land and

encouraging sponsors. However, these are peripheral to core business and generate revenue that is only marginally significant.

Staffing In The Horseracing Industry

The industry's staff shortfall is well known, if not easily quantified. The debate about the resilience and commitment of staff, conditions of employment and the culture on racing yards aside, the fact is that significant vacancies exist, now and for the foreseeable future. Employers need and want every trained person the NHC can provide.

That said, the College is mandated to deliver recruits from its FC trained to Level 1 but employers really would like to take on employees capable of riding at Level 2. The vast majority of racehorse training businesses could not provide initial training in-house and whilst the long-term funding model for training may well include increases in direct funding from employers it is unrealistic to expect training business to be able to adjust to making a significant direct contribution in the short-term. In striving to meet employer needs and to enable the success of graduates, the NHC and its sister school the BRS make significant extra efforts to deliver people to work placement at a higher standard than their remit dictates. While that costs money, currently it is what has to happen to ensure young people entering the industry are hired and retained by employers.

Societal influences and learner needs have and continue to change at pace. The pandemic and responses to it were accelerants. The day-to-day experience of training staff is that fewer learners have benefited from the opportunities, support and education required to gain basic levels of fitness, good communication skills and an appreciation of the requirements of paid work. A great deal more time, patience and skill is required from leaders, instructors and support staff to instil the attitudes, standards and work-rates that will enable learners' success in the industry's work force.

There has been a marked increase in learners reporting mental health problems from less than 10% a decade ago to over 30% in this reporting period. In addition, 34% of learners are neurodiverse compared to less than half that proportion ten years ago.

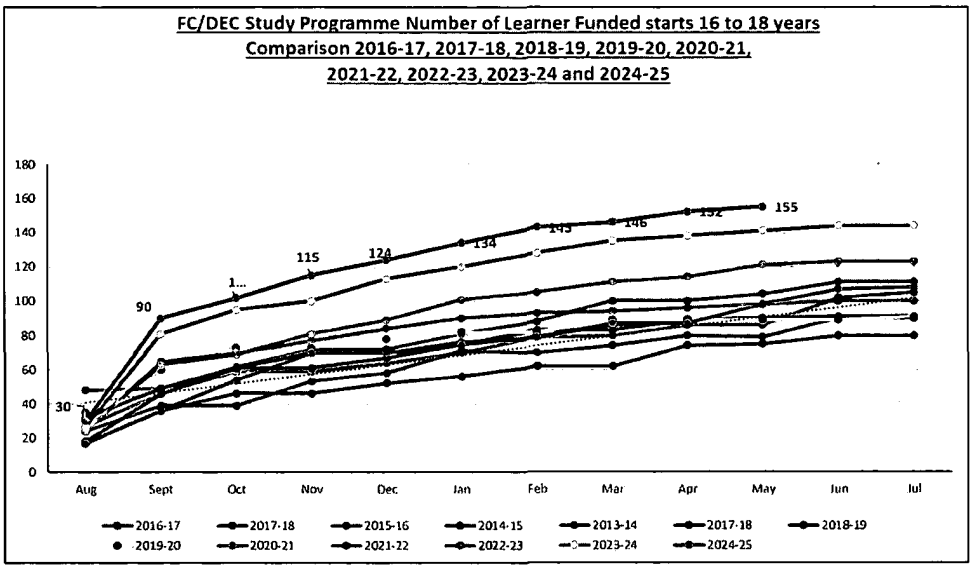
ACTIVITIES AND ACHIEVEMENTS

Marketing and Recruiting (M&R)

The success of the College's M&R team (now 5 staff) is vital to the pursuit of its priorities. It is accepted and understood that investment in people and activities in this area does not deliver instant results but that they build over time if consistent and persistent. It is encouraging that, this year, increases during the last few years in expressions of interest, engagement through social media and applications have begun to manifest themselves in attendance numbers which exceed any previous years and lead to the College being able to fulfil its Government contract and access additional funds.

Study Programmes

The College's Education Programme for Young People (EPYP) courses include the Residential Foundation Course (FC) and the non-residential, day-attendance Doncaster Equine College (DEC) Programme.



Doncaster Equine College (DEC) Programme

The DEC programme involves 17.5 hours per week for day students across a normal academic year of 36 weeks. Programme qualifications include L1 Diploma in Horse Care, L2 Technical and Extended Certificates in Horse Care and L3 Advanced Technical Certificate. Functional skills are included, along with GCSEs for some learners. Learners often progress to the next level depending on their ability and career aspirations. Most learners are 16–18-year-olds who help the NHC fill its ESFA contract and are funded but there is also a small number of 19+ learners who do not attract Government funding.

The curriculum includes social development skills covering employability, self-belief, time management and functional skills at different levels. The course prepares non-employed young people for the world of work, they participate in shows, normally outside of curriculum hours to practise and improve their skills further. There is a range of other additional accreditation opportunities available through the Colleges access to the racing industry's VLE - Racing2Learn.

In 2024/25, high retention rates continued on the DEC Programme with 55 learners graduating of 62 starts, retention of 89% overall. Achievements also are high with L1 Horse Care Diploma and Level 2 Technical Certificate both at 93.8% and Level 3 Advanced Technical Certificate at 88.9% for year one and 100% for year 2.

Learner feedback shows that 100% of students were either satisfied or very satisfied that the Programme had met their expectations and 98% would recommend it to others.

Foundation Course

The Residential Foundation Course provides a high-quality and supportive entry route into the horseracing and wider equine industries. The programme is designed to equip learners with essential practical skills, underpinning knowledge and professional behaviours that enable progression into placements, apprenticeships, employment or further education.

The FC is 12 weeks duration followed by a 6-week work placement planned with an employer. It welcomes intakes of up to 15 learners every 4 weeks, most being 16–18-year-olds living away from home for the first time. Each intake also may include 19+ learners who are not ESFA funded.

Learners follow an intensive curriculum that includes social development skills covering employability, cooking, resilience, self-belief, time management skills and preparation for functional skills at different levels. Training prepares non-employed young people for the world of work but also to become independent, capable members of society. Parent or guardian feedback is very positive about the personal development and improved behaviour of their young people. The range of additional training provided includes: safeguarding; understanding consent; autism awareness; diversity and inclusion; concussion awareness; pay and employee rights in the workplace; alcohol, drug and gambling awareness; welfare and healthy nutrition.

In 2024–25, the programme supported 110 funded starts, with 106 (96.4%) learners achieving, reflecting strong retention and achievement. Progression outcomes are very positive, with the majority of learners moving into placements or further industry-related opportunities. Teaching, learning and assessment are consistently effective, supported by experienced industry staff and strong support systems providing pastoral care in the residential setting. The Foundation Course is rated Good, with strong features. High achievement, strong progression, effective teaching and robust learner support ensure learners are well prepared for initial employment and further development in horseracing or equine disciplines. Overall, the programme meets the expectations of the Education Inspection Framework (EIF) and contributes effectively to workforce development within the sector.

Feedback from parents, guardians and carers shows that 99% believe learners' personal development e.g. behaviours, maturity and emotionally, was outstanding (67%) or good (32%) during their training at the College. Feedback from learners shows that 96% believe the course has met their expectations and 95% would recommend it to others.

Learners with learning difficulties or disabilities (LLDD) thrive at the NHC and achieve at rates above what is usual in other training environments. Learners with LLDD succeed[1] at 89.6%, very close to those who have no LLDD at 94.9%.

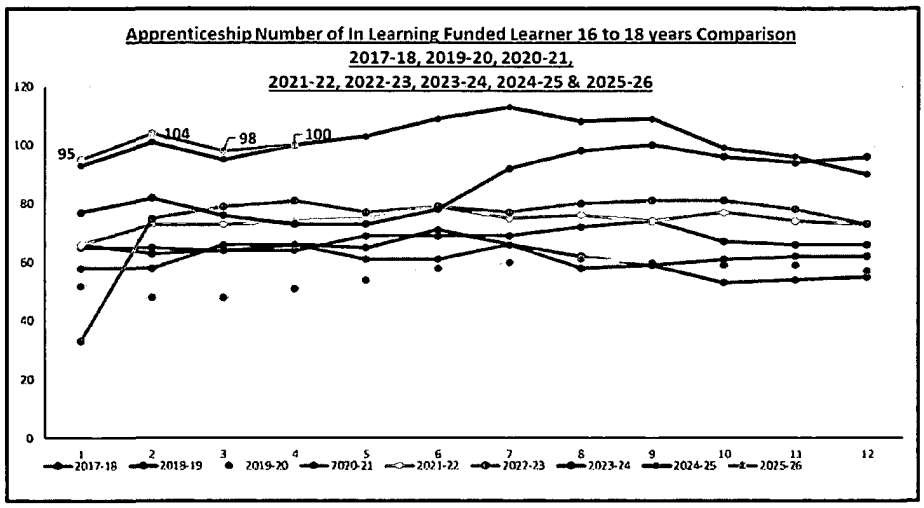
Basic Skills (English & Maths)

Results achieved by learners across age ranges and at different levels linked to whatever was their start point show combined basic skills success rates at 72.7% compared to 61.3% Nationally. Teaching of basic/functional skills usually is in much smaller groups than is the norm in mainstream schooling and teachers provide context for the subjects that relates to equine activities which tends to help leaners appreciate the relevance and value of the subjects. As a result, almost all levels of achievement are significantly ahead of National rates.

Apprenticeships

The College offers level 2 and level 3 apprenticeships in equine groom and senior equine groom including diplomas. Additional qualifications are offered to learners including emergency first aid, safeguarding, transporting horses by road on long journeys and L2 functional skills.

[1] Study Programme Success Rates - main aims combined overall.



The College's staff work hard to match learners graduating from the FC to employers to determine the best possible placement for them. Of learners graduating, over 89% went to work placement. The frequency of support for learners on transition to apprenticeships has increased, with consequent improvement in progressions. Once on apprenticeships, learners are employed in line with a national wage scale sanctioned by the British Horseracing Authority (BHA), which exceeds Apprenticeship wage requirements. Learners are on apprenticeships for up to 18 months. Although the industry tends to suffer from quite high rates of employee turnover, the NHC's Roving Instructors maintain close contact with work-based learners to retain them on programme until completion. Achievers are encouraged to continue to progress their careers beyond their qualification. Thorough tracking shows that over 70% stay in the equine industry after their L2 apprenticeship and more than 80% after their L3 apprenticeship.

In this period there were 211 learners in learning overall, only one less than the previous year and very much continuing the trend of steadily increasing numbers over the past decade. Achievement levels continue to be ahead of National averages for passes and distinctions at the end point assessment (EPA). The College has influenced the format of EPA with the awarding organisation enabling apprentices to complete these in-person or on-line at work, at NHC or at other venues.

Feedback from employers of the NHC's apprentices in learning shows that 95% would recommend the College's provision to other employers.

Staff Performance

Leadership – Once again, stability in senior appointments meant the culture of strong, consistent, caring leadership kept the ship steady and provided confidence to staff that, despite external uncertainties and pressures, the NHC would remain a good place to work.

All staff involved in teaching learners are observed and provided with constructive feedback to promote high standards of teaching. During this period, 93% of observed sessions were assessed to be excellent or good. The College continues to focus on CPD and training for its staff, taking account of the long working hours that are typical in the horseracing sector. Observation criteria have been adapted to meet the requirements of the new external inspection regime.

The NHC is proud to have achieved the Gold Award in the Ministry of Defence's Employer Recognition Scheme. For context, only just over 1,000 businesses across the whole of the UK have achieved this recognition since the scheme began in 2015 and only 35 of those are in our region (Yorkshire and The

Humber).

Fundraising

The NHC's well-established charity race day at Pontefract was held again this year but few sponsors for races were forthcoming. The College's association with Doncaster's Leger Legends race has made a very important and valued contribution over 13 years but has now come to an end.

Infrastructure and Equipment

The NHC continued to invest in these areas as part of its strategy to enhance the offer to learners and to attract commercial users. During this period, improvements have been made to residential facilities, yards and training grounds.

FINANCIAL REVIEW

Going concern

The charity, for some years, has been unable to comply with its policy to hold free reserves of between 1 and 2 months operational expenditure.

Whilst cost pressures have increased, the charity has generated a surplus in the year mainly as a result of higher learner numbers and revenues from Department of Education which were significantly better than had been anticipated. The financial surplus has helped the NHC position itself to undertake essential infrastructure improvements in the current reporting period and to set up for further improvements that will be concluded in FY 2026-27. These include an extension to residential accommodation to increase capacity that will allow us to meet new Government requirements on education in English and maths and drainage works to the Visitor centre car park to prevent future flooding.

The charity is on course to make a modest surplus in 2025/26 and is reliant on increases in Industry and other funding to meet its obligations and takes decisive and effective measures to preserve cash flow and increase resilience.

The Trustees have prepared forecasts of income and expenditure and cash flow for the period to 31st January 2027 which show that they have sufficient cash to be able to continue for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

Reserves policy

The NHC was unable to keep two month's operating costs in reserve but is in a stronger position than for many years and will continue to build towards it reserves aspirations.

Pay policy for key management personnel

Trustees and senior leaders continue to recognise that the organisation's success is reliant on its team of dedicated staff and salaries were increased in line with inflation during this period.

Financial performance

The operating surplus for the year was £317,120 (2024 (as restated): £206,844).

The total funds carried forward at the year-end are £3,288,626 (2024 (as restated): £2,971,506) of which £3,162,268 (2024 (as restated): £2,809,189) are unrestricted and £126,358 (2024: £162,317) are restricted.

Pension fund

The NHC operates a defined pension scheme for a limited number of existing employees, which it accounts for in line with the Charities SORP. The latest actuarial valuation of the Scheme resulted in an increase in the asset on the defined benefit pension scheme of £543k from £629,000 to £1,172,000.

Whilst this is showing an asset position, the NHC is unable to benefit from the asset as it is an asset arising from an actuarial calculation and will not bring future economic benefit to the Charity. Further information regarding this is given in note 3.

This asset is, of course, a statement of the theoretical pension asset of the Charity at the balance sheet date based upon current assumptions of future discount rates; future salary and pension increases and inflation.

The scheme has been closed to new NHC employees since before 2015.

RISK MANAGEMENT

While the NHC's leaders view the monitoring, assessment and mitigation of risks to be an ongoing process, risk management policies are subject to periodic review. Risks are categorised low, medium or high in terms of likelihood and seriousness. Modifying actions in response will transfer, treat, tolerate or terminate each risk. Every risk has a designated owner and a timeframe for actions to be taken. The table below illustrates some of the risk areas with potentially most serious consequences:

Risk	Likelihood	Seriousness	Modifying Actions	Owner
Safeguarding failure - learner	**MEDIUM**	**HIGH**	TREAT Training, supervision.	Ops Dir (Safeguarding Lead)
Fixed costs exceeding ESFA & BHA contract payments	**MEDIUM**	**HIGH**	TREAT Demonstrate: Value of NHC's outputs. Efficiency of operation.	CEO
Major IT breach	**MEDIUM**	**HIGH**	TREAT Retain comprehensive IT specialist support, backup protocols, protective measures, training.	CEO
Reduction in Industry resources from Levy	**MEDIUM**	**HIGH**	TOLERATE Exert influence, demonstrate social value added.	CEO
Actual or Reputational damage due to vexatious complaints	**MEDIUM**	**MEDIUM**	TREAT Ensure policies & procedures are justified, current, followed and actions recorded.	CEO
Human disease preventing delivery/receipt of training	**LOW**	**HIGH**	TREAT Awareness, preparation, training, discipline.	CEO
Safeguarding failure - staff	**LOW**	**HIGH**	TREAT DBS checks, training, supervision.	CEO
Catastrophic fire/flood	**LOW**	**HIGH**	TREAT Dispersal of assets, backup protocols, protective measures, training, comprehensive and up-to-date insurance cover.	CEO
Loss of ESFA contract	**LOW**	**HIGH**	TREAT Maintain or enhance quality of provision (OFSTED 1 or 2) while fulfilling/over-performing against contract.	CEO
Loss of BHA contract	**LOW**	**HIGH**	TREAT Continue to subsidize cost to industry, fulfil/over-perform against BHA contract, respond to industry needs.	CEO
Equine disease preventing delivery of training	**LOW**	**HIGH**	TREAT Maintain situational awareness, contingency planning, training.	Training Manager

STRUCTURE AND GOVERNANCE

Constitution

National Horseracing College registered as a charitable company limited by guarantee with no share capital and was set up by a Memorandum of Association on 19 February 1988 and is a registered charity number 700405.

Methods of appointment or election of Trustees

The management of the company and the group is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited through sector networks and approached to discuss taking on a trustee role.

Organisational structure and decision-making policies

The Board meets quarterly. Its business always includes a comprehensive update from the Chief Executive. Business decisions that have strategic significance are made at Board level.

There is a single standing sub-committee, the Finance Committee which is chaired by the Chairman of trustees. Attendees include the Chief Executive, the Finance Director, the Operations Director and the Support Services Manager. All major financial decisions are recommended to the Main Board where decision making occurs.

Task and Finish Groups are established for specific purposes e.g. Nominations Committee to identify a new Chairman or a selection panel to select a new Chief Executive.

All trustees, including the Chair, have fixed terms of office.

Policies adopted for the induction and training of Trustees

New trustees are provided with a comprehensive induction, led by the Chief Executive and involving other staff, to ensure they are provided with a comprehensive view of what the NHC does and how it does it.

All trustees are informed of trustee training opportunities organised by external bodies and encouraged to attend ones that will be valuable to them.

Informal visits by trustees are encouraged at any time to allow them to get to know the College well.

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 including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make 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 auditor

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

so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and

that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, SMH Group Audit, has indicated their willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

PLANS FOR FUTURE PERIODS

The continued success of the College is linked inextricably to the health and success of racing as a whole. Trustees note the industry's new strategy and its component Workforce Strategy and will ensure the NHC plays an active part in contributing to their delivery, helping actively to shape the future and ensure ongoing progress.

In the meantime, they are extremely proud of the performance of the College which, in terms of its delivery for racing and for its learners, has continued to build on the success of previous years.

They believe that the company has adequate resources to continue as a going concern and they look forward to the future with justifiable optimism. (Further details regarding the adoption of the going concern basis can be found in the Note 2 – Accounting Policies.)

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

Signed 

G Sutcliffe

Chairman

Date 31/03/2026

Opinion

We have audited the financial statements of National Horseracing College Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 July 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Company Balance Sheet, the 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 application is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 July 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standard 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 charitable company 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.

Conclusion 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 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 Annual Report other than the financial statements and our Auditor's Report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work

we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on Other Matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent 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 the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

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.

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.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Responsible Individual ensured that the engagement team collectively had appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with trustees and management, and from our knowledge and experience of the charity sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, the Companies Act 2006 and UK taxation legislation;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements, but compliance with which might be fundamental to the charitable company's ability to operate or to avoid material penalties;
- we made enquiries of management as to where they are considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- laws and regulations identified were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

As a result of the above risk assessment procedures, we identified the greatest risk of material misstatement in the financial statements arising from irregularities and fraud to be within the potential for management override of controls together with the risk of fraudulent revenue recognition. We considered the risk of fraudulent revenue recognition to be most prevalent in the cut-off of revenue. In response to these identified risks, we designed procedures which included, but were not limited to:

- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business;
- assessing whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias;
- performing substantive testing for a sample of transactions from grant and donation records to supporting documentation and receipts to ensure that all income was appropriately recognised in the correct period and any restrictions appropriately recognised.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the charitable company's legal advisors.

There are inherent limitations in our audit procedures described above. The move removed that laws and regulations are from financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limited the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees 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.

Material misstatements that arise due to fraud can be hard to detect than those that arises from error as they may involved deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kathryn Hebden (Senior Statutory Auditor)
For and on behalf of

SMH Group Audit
Statutory Auditors
5 Westbrook Court
2 Sharrow Vale Road
Sheffield
S11 8YZ

Date: 3 April 2026

National Horseracing College Limited

Company Limited by Guarantee

Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account)

Year ended 31 July 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 (as restated) £
Income from:					
Donations and legacies	4	**47,580**	**-**	**47,580**	40,099
Charitable activities	5	**1,847,505**	**1,888,635**	**3,736,140**	3,391,618
Other trading activities	6	**113,781**	**-**	**113,781**	127,836
Other income	7	-	-	-	6,090
Total income		**2,008,866**	**1,888,635**	**3,897,501**	3,565,643
Expenditure on:					
Raising funds:	8				
Voluntary income		**158,226**	**-**	**158,226**	109,237
Other trading		**76,207**	**-**	**76,207**	74,437
Charitable activities	9, 10	**1,430,232**	**1,908,960**	**3,339,192**	3,163,680
Other expenditure	11	**6,756**	**-**	**6,756**	11,445
Total expenditure		**1,671,421**	**1,908,960**	**3,580,381**	3,358,799
Net (expenditure)/income		**337,445**	**(20,325)**	**317,120**	206,844
Transfers between funds		**15,634**	**(15,634)**	**-**	-
Net movement in funds before other recognised gains		**353,079**	**(35,959)**	**317,120**	206,844
Other recognised gains:					
Actuarial gains on defined benefit pension schemes	28	-	-	-	-
Net movement in funds		**353,079**	**(35,959)**	**317,120**	206,844
Reconciliation of funds:					
Total funds brought forward	22	**2,809,189**	**162,317**	**2,971,506**	2,764,662
Net movement in funds	22	**353,079**	**(35,959)**	**317,120**	206,844
Total funds carried forward	22	**3,162,268**	**126,358**	**3,288,626**	2,971,506

The Consolidated Statement of Financial Activities complies with the requirements for an income and expenditure account under Companies Act 2006 and includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

National Horseracing College Limited

Company Limited by Guarantee

Consolidated Statement of Financial Position

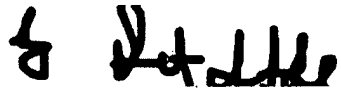
Year ended 31 July 2025

	Note		2025		2024 (as restated)
			£		£
Fixed assets					
Tangible assets	16		**3,204,879**		3,111,039
			3,204,879		3,111.039
Current assets					
Stocks	18	**38,892**		45,588	
Debtors	19	**85,666**		199,215	
Cash at bank and in hand		**429,700**		211,757	
		554,258		456,560	
Creditors: amounts falling due within one year	20	**(416,557)**		(572,576)	
Net current assets/(liabilities)			**137,701**		(116,016)
Total assets less current liabilities			**3,342,580**		2,995,023
Creditors: amounts falling due after more than one year	21		**(53,954)**		(23,517)
Net assets excluding pension asset			**3,288,626**		2,971,506
Defined benefit pension scheme asset	28		-		-
Total net assets			**3,288,626**		2,971,506
Charity funds					
Restricted funds	22		**126,358**		162,317
Unrestricted funds					
Designated funds	22	**56,335**		56,335	
General funds	22	**3,105,933**		2,752,854	
Unrestricted funds excluding pension asset	22	**3,105,933**		2,809,189	
Defined benefit pension asset/(liability)	22	-		-	
Total unrestricted funds	22		**3,162,268**		2,809,189
Total funds			**3,288,626**		2,971,506

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 company's regime.

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



Mr Gerard Sutcliffe
(Chair of Trustees)

Date: 31/03/2026

The notes on pages 22 to 55 form part of these financial statements.

National Horseracing College Limited

Company Limited by Guarantee

Company Statement of Financial Position

Year ended 31 July 2025

	Note		2025		2024 (as restated)
			£		£
Fixed assets					
Tangible assets	16		**3,185,729**		3,087,482
Investments	17		**2**		2
			3,185,731		3,087,484
Current assets					
Stocks	18	**21,602**		32,873	
Debtors	19	**150,029**		241,384	
Cash at bank and in hand		**349,140**		153,682	
		520,771		427,939	
Creditors: amounts falling due within one year	20	**(402,442)**		(558,920)	
Net current assets/(liabilities)			**118,329**		(130,981)
Total assets less current liabilities			**3,304,060**		2,956,503
Creditors: amounts falling due after more than one year	21		**(53,954)**		(23,517)
Net assets excluding pension asset			**3,250,106**		2,932,986
Defined benefit pension scheme asset	28		**-**		-
Total net assets			**3,250,106**		2,932,986

National Horseracing College Limited

Company Limited by Guarantee

Company Statement of Financial Position *(Continued)*

Year ended 31 July 2025

	Note		2025 £		2024 (as restated) £
Charity funds					
Restricted funds	22		**126,358**		162,317
Unrestricted funds					
Designated funds	22	**56,335**		56,335	
General funds		**3,067,413**		2,714,334	
	22				
Unrestricted funds excluding pension asset	22	**3,123,748**		2,770,669	
Defined benefit pension asset/(liability)	22	-		-	
Total unrestricted funds	22		**3,123,748**		2,770,669
Total funds			**3,250,106**		2,932,986

The company has taken advantage of the exemption allowed under s408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The company's net movement in funds for the year was £317,120 (2024 (as restated) - £206,844).

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:

Mr Gerard Sutcliffe
(Chair of Trustees)

Date: 31/03/2026

The notes on pages 22 to 55 form part of these financial statements.

National Horseracing College Limited

Company Limited by Guarantee

Consolidated Statement of Cash Flows

Year ended 31 July 2025

	Note	2025 £	2024 (as restated) £
Cash flows from operating activities			
Net cash provided by operating activities	25	**450,243**	277,734
Cash flows from investing activities			
Purchase of tangible fixed assets		**(197,747)**	(134,600)
Proceeds from disposal of fixed assets		**-**	30,600
Net cash used in investing activities		**(197,747)**	(104,000)
Cash flows from financing activities			
Repayments of borrowing		**(6,233)**	(72,438)
(Repayment of)/new finance leases		**(26,987)**	23,989
Interest paid		**(1,333)**	(11,445)
Net cash used in financing activities		**(34,553)**	(59,894)
Change in cash and cash equivalents in the year		**217,943**	113,840
Cash and cash equivalents at the beginning of the year		**211,757**	97,917
Cash and cash equivalents at the end of the year	26	**429,700**	211,757

1. General information

The charity is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Its registered office is The Stables, Rossington Hall, Great North Road, Doncaster, South Yorkshire, DNII 0HN.

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 issued October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

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

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 Going concern

The charity, for some years, has been unable to comply with its policy to hold free reserves of between 1 and 2 months operational expenditure.

Whilst cost pressures have increased, the charity has generated a surplus in the year mainly as a result of higher learner numbers and revenues from Department of Education which were significantly better than had been anticipated. The financial surplus has helped the NHC position itself to undertake essential infrastructure improvements in the current reporting period and to set up for further improvements that will be concluded in FY 2026-27. These include an extension to residential accommodation to increase capacity that will allow us to meet new Government requirements on education in English and maths and drainage works to the Visitor centre car park to prevent future flooding.

The charity is on course to make a modest surplus in 2025/26 and is reliant on increases in Industry and other funding to meet its obligations and takes decisive and effective measures to preserve cash flow and increase resilience.

2. Accounting policies (continued)

2.3 Going concern (continued)

The Trustees have prepared forecasts of income and expenditure and cash flow for the period to 31st January 2027 which show that they have sufficient cash to be able to continue for the foreseeable future. The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

2.4 Income

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

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

2. Accounting policies (continued)

2.5 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

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

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value *over* their estimated useful lives .

Depreciation is provided on the following bases:

Visitor centre	- Variable between 2% - 33% on a reducing balance
Building refurbishment	- Variable between 1% - 20% on a reducing balance
Leasehold land & buildings	- Variable between 1% - 20% on a reducing balance
Stable block	- 1% reducing balance
Plant, equipment and motor vehicles	- Variable between 5% - 20% on a reducing balance
Gallop, menage and indoor riding	- Variable between 1% - 10% on a reducing balance school
Assets under construction	- Not depreciated
Computer equipment	- Variable between 20% - 33% on a straight line

2.7 Investments

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

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2. **Accounting policies (continued)**

2.9 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.

2.10 Cash at bank and in hand

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

2.11 Liabilities

Liabilities and provisions 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.

2.12 Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2. **Accounting policies (continued)**

2.15 Pensions

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

The group operates a defined benefit plan for the benefit of its employees. It is closed to new employees. A liability for the charity's obligations under the plan is recognised net of plan assets to the extent plan assets may be recovered either through reduced contributions or agreed refunds from the scheme. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised in other recgonised gains and losses in the period in which they occur.

2.16 Fund accounting

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

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

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

2.17 Taxation

The company is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.18 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The present value of the South Yorkshire (SY) defined benefit pension liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net costs or income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the liability. Where the scheme is in an accounting surplus, it is only recognized to the extent that the company is able to is recover the surplus either through reduced contributions in the future or through refunds from the plan.

Critical judgments

On 27 February 1996 the company entered into a 95 year lease to rent the site from which it operates. The Trustees have assessed the terms of this lease and concluded it is an operating lease on the basis that the company does not have substantially all risks and rewards incidental to ownership. Further details of the lease arrangements are disclosed in note 29.

4. Income from donations and legacies

	Unrestricted funds 2025	Total funds 2025	Total funds 2024
	£	£	£
Donations			
Donations	9,780	**9,780**	-
Pontefract race day income and Leger Legends income	37,800	**37,800**	40,099
	47,580	**47,580**	40,099
Total 2024	40,099	40,099	

5. Income from charitable activities

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Operation of educational and training college	26,408	1,692,429	**1,718,837**	1,616,808
Department of Education	1,765,296	-	**1,765,296**	1,531,210
Other activity related income	55,801	-	**55,801**	43,780
Grants (see detailed breakdown below)	-	196,206	**196,206**	199,820
	1,847,505	1,888,635	**3,736,140**	3,391,618
Total 2024	1,609,786	1,781,832	3,391,618	

Grants

	2025 £	2024 £
Main Grants Lottery Community Fund – Life skills	-	13,320
Racing foundation RSDP Website	-	7,500
HBLB – RDSP Income	**171,500**	159,000
RSDP Mentoring Programme	**21,486**	-
Racing Welfare – Life skills	**3,220**	-
Total restricted grants	**196,206**	179,820
The Sir Peter O'Sullevan Charitable Trust	-	20,000
Total unrestricted grants	-	-
Total	**196,206**	199,820

6. **Income from other trading activities**

Income from non charitable trading activities

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
NHC Trading Limited	113,781	**113,781**	127,836
Total 2024	127,836	127,836	

The charity has a wholly owned trading subsidiary, NHC Trading Limited (company number 03538751). The company was incorporated on 1 April 1998 and has issued share capital of two ordinary shares. The company gifts its taxable profits to National Horseracing College. Unaudited accounts are filed with Companies House.

7. ***Other incoming resources***

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Profit on disposal of fixed assets	-	-	6,090
Total 2024	6,090	6,090	

8. **Expenditure on raising funds**

Costs of raising voluntary income

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Fundraising and publicity	269	-	**269**	250
Voluntary income staff costs	157,957	-	**157,957**	108,987
	158,226	-	**158,226**	109,237
Total 2024	109,237	-	109,237	

Other trading expenses

	Unrestricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Cost of sales	61,671	**61,671**	59,934
Administration expenses	10,129	**10,129**	9,576
Depreciation	4,407	**4,407**	4,927
Total 2025	76,207	**76,207**	74,437
Total 2024	74,437	74,437	

9. **Analysis of expenditure on charitable activities**

Summary by fund type

	Unrestricted funds 2025	Restricted funds 2025	Total 2025	Total 2024 (as restated)
	£	£	£	£
Operation of educational and training college	1,430,232	1,908,960	**3,339,192**	3,163,680
Total 2025	1,430,232	1,908,960	**3,339,192**	3,163,680
Total 2024	1,240,784	1,922,896	3,163,680	

10. Summary by expenditure category

	2025	2024 (as restated)
	£	£
Training costs	311,832	395,710
Accommodation	260,238	333,741
Stable yard	309,392	268,087
Staff costs	1,293,147	1,156,188
Pension finance costs	-	-
Depreciation	134,000	127,500
Total direct costs	**2,308,609**	2,281,226
Administration costs	449,492	382,549
Staff costs	420,570	357,730
Total management and administration	**870,062**	740,279
Support administration costs	87,242	75,111
Total support costs	**87,242**	75,111
Governance costs (see note 12)	73,279	67,064
Overall Total	**3,339,192**	3,163,680

11. Other expenditure

	Unrestricted funds 2025	Total funds 2025	Total funds 2024
	£	£	£
Bank and other interest	6,756	**6,756**	11,445
Total 2024	11,445	11,455	

12. Governance costs

	Unrestricted funds 2025	Total funds 2025	Total funds 2024 (as restated)
	£	£	£
Auditor's remuneration	16,650	**16,650**	13,650
Accountancy fees	33,980	**33,980**	35,342
Trustees' expenses	10,850	**10,850**	9,017
Legal and professional	11,799	**11,799**	9,055
Total 2025	73,279	**73,279**	67,064
Total 2024	67,064	67,064	

13. Net income/(expenditure)

This is stated after charging:

	2025	2024
	£	£
Depreciation of tangible fixed assets owned by the group	**123,804**	73,750
Depreciation of tangible fixed assets held under finance leases	**14,603**	53,750
Auditor's remuneration- audit	**16,650**	13,650
Profit on disposal	**-**	(6,090)

14. Staff costs

	Group 2025 £	Group 2024 (as restated) £	Company 2025 £	Company 2024 (as restated) £
Wages and salaries	**1,727,780**	1,540,097	**1,727,780**	1,540,097
Social security costs	**175,860**	134,809	**175,860**	134,809
Pension costs	**126,864**	60,440	**126,864**	60,440
Operating costs of defined benefit pension schemes	-	-	-	-
	2,030,504	1,735,346	**2,030,504**	1,735,346

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

	Group 2025 No.	Group 2024 No.
	66	62

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

	Group 2024 No.	Group 2023 No.
In the band £90,001 - £100,000	**1**	-
In the band £120,001 - £130,000	**-**	1

The total remuneration and benefits received by key management personnel including employer's NI and pension was £350,594 (2024: £323,003). The trustees consider senior management personnel to be the Chief Executive Officer, the Operations Director, the Work-Based Learning Manager, the Training Manager and the MIS and Compliance Manager.

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2024: £nil).

During the year ended 31 July 2025, expenses totaling £689 were reimbursed or paid directly to 4 Trustees (2024 - £879 to 4 Trustees). These expenses relate to the reimbursement of travel expenses incurred by the Trustees when attending National Horseracing College Trustee meetings and events.

16. Tangible fixed assets

Group

	Visitor centre	Building refurbishment	Leasehold Land & Buildings	Stable Block	Gallop, Menage & Indoor Riding School	Plant, Equipment & Motor Vehicles	Computer equipment	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 August 2024	816,681	494,984	1,244,177	728,795	1,000,525	846,896	141,662	5,273,720
Additions	6,000	58,364	-	-	44,593	100,861	22,429	232,247
At 31 July 2025	822,681	553,348	1,244,177	728,795	1,045,118	947,759	164,091	5,505,967
Depreciation								
At 1 August 2024	306,210	273,860	340,759	189,592	529,004	424,794	98,462	2,162,681
Charge for the year	30,000	6,550	10,761	8,000	19,500	49,346	14,250	138,407
At 31 July 2025	336,210	280,410	351,520	197,592	548,504	474,142	112,712	2,301,088
Net book value								
At 31 July 2025	486,471	272,938	892,657	531,203	496,614	473,617	51,379	3,204,879
At 31 July 2024	510,471	221,124	903,418	539,203	471,521	422,102	43,200	3,111,039

16. Tangible fixed assets (continued)

Company

	Visitor centre	Building refurbishment	Leasehold Land & Buildings	Stable Block	Gallop Menage & Indoor Riding School	Plant, Equipment & Motor Vehicles	Computer equipment	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 August 2024	816,681	494,984	1,240,036	728,795	1,000,525	721,862	141,662	5,144,545
Additions	6,000	58,364	-	-	44,593	100,861	22,429	232,247
At 31 July 2025	822,681	553,348	1,240,036	728,795	1,045,118	822,723	164,091	5,376,792
Depreciation								
At 1 August 2024	306,210	273,860	338,850	189,592	529,004	321,085	98,462	2,057,063
Charge for the year	30,000	6,550	10,700	8,000	19,500	45,000	14,250	134,000
At 31 July 2025	336,210	280,410	349,550	197,592	548,504	366,085	112,712	2,191,063
Net book value								
At 31 July 2025	486,471	272,938	890,486	531,203	496,614	456,638	51,379	3,185,729
At 31 July 2024	510,471	221,124	901,186	539,203	471,521	400,777	43,200	3,087,482

16. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2024	2
At 31 July 2025	**2**
Net book value	
At 31 July 2025	**2**
At 31 July 2024	2

National Horseracing College owns 100% of the ordinary share capital of its trading subsidiary, NHC Trading Limited, a company incorporated in England and Wales.

17. Fixed asset investments

(continued) Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	Company number	Registered office or principal Place of business	Class share	Holding
NHC Trading Limited	03538751	The Stables, Rossington Hall, Great North Road, Doncaster, DH11 0HN	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
NHC Trading Limited	**113,781**	**(76,207)**	**37,574**	**38,520**

18. Stocks

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Finished goods	**38,892**	45,588	**21,602**	32,873

19. Debtors

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Trade debtors	**69,697**	192,068	**47,055**	187,880
Amounts owed by group undertakings	-	-	**87,005**	46,357
Other debtors	**2,697**	7,147	**2,697**	7,147
Prepayments and accrued income	**13,272**	-	**13,272**	-
	85,666	199,215	**150,029**	241,384

20. Creditors: Amounts falling due within one year

	Group 2025 £	Group 2024 £	**Company 2025** £	Company 2024 £
Bank loans	-	6,233	-	6,233
Trade creditors	**126,291**	142,107	**119,516**	134,377
Other taxation and social security	**63,971**	59,894	**58,243**	59,894
Net obligations under finance lease and hire purchase contracts	**21,357**	44,281	**21,357**	44,281
Other creditors	**204,938**	320,061	**203,326**	314,135
	416,557	572,576	**402,442**	558,920

21. Creditors: Amounts falling due after more than one year

	Group 2025 £	Group 2024 £	**Company 2025** £	Company 2024 £
Bank loans	-	-	-	-
Net obligations under finance lease and hire purchase contracts	**53,954**	23,517	**53,954**	23,517
	53,954	23,517	**53,954**	23,517

Bank loans and overdrafts are secured by way of a first legal charge over the assets and undertakings of the charity, including the Residential Centre, Rossington Hall, Great North Road, Doncaster.

Bank loans are repaid monthly over the term of the loan. Interest is payable at a fixed rate of 5.955%.

22. Statement of funds

Statement of funds - current year

	Balance at 1 August 2024 (as restated)	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31July 2025
	£	£	£	£	£	£
Unrestricted funds						
Designated funds						
College improvements	56,335	-	-	-	-	56,335
General funds						
General funds	2,714,334	1,895,085	(1,595,214)	53,208	-	3,067,413
Reserves held in subsidiary	38,520	113,781	(76,207)	(37,574)	-	38,520
Pension fund	-	-	-	-	-	-
	2,752,854	2,008,866	(1,671,421)	15,634	-	3,105,933
Total Unrestricted Funds	2,809,189	2,008,866	(1,671,421)	15,634	-	3,162,268
Restricted funds						
Horseracing grant scheme	30,758	-	-	-	-	30,758
RSDP	115,577	171,500	(207,328)	(15,634)	-	64,115
RSDP Mentoring Programme	-	21,486	-	-	-	21,486
Horsebox grant	8,187	-	-	-	-	8,187
Main grants lottery	1,555	-	(1,555)	-	-	-
NARS Rec room refurbishment	6,240	-	(4,428)	-	-	1,812
Racing Welfare – life skills	-	3,220	(3,220)	-		-
BHA & HBLB programmes	-	1,692,429	(1,692,429)	-		-
Total restricted Funds	162,317	1,888,635	(1,908,960)	(15,634)	-	126,358

Total Funds	2,971,506	3,897,501	(3,580,381)	-	-	3,288,626

22. Statement of funds

Statement of funds – prior year

	Balance at 1 August 2023 (as restated) £	Income £	Expenditure (as restated) £	Transfers in/out £	Gains/ (Losses) (as restated) £	Balance at 31July 2024 (as restated) £
Unrestricted funds						
Designated funds						
College improvements	56,335	-	-	-	-	56,335
General funds						
General funds	2,366,426	1,655,975	(1,326,466)	18,399	-	2,714,334
Reserves held in subsidiary	38,520	127,836	(109,437)	(18,399)	-	38,520
Pension fund	-	-	-	-	-	-
	2,404,946	1,783,811	(1,435,903)	-	-	2,752,854
Total Unrestricted Funds	2,461,281	1,783,811	(1,435,903)	-	-	2,809,189
Restricted funds						
Horseracing grant scheme	46,841	-	(16,083)	-	-	30,758
RSDP	188,415	163,168	(236,006)	-	-	115,577
Horsebox grant	8,187	-	-	-	-	8,187
Peter O'Sullevan Trust	38,125	-	(38,125)	-	-	-
RF RSDP Website	-	13,320	(13,320)	-	-	-
Main grants lottery	-	7,500	(5,945)	-	-	1,555
NARS Rec room refurbishment	12,614	-	(6,374)	-	-	6,240
POS Furlong replacement	9,199	-	(9,199)	-	-	-
BHA & HBLB programmes	-	1,597,844	(1,597,844)	-	-	-

Total restricted Funds	303,381	1,781,832	(1,922,896)	-	-	162,317
Total Funds	2,764,662	3,565,643	(3,358,799)	-	-	2,971,506

Restricted Funds

The funds of the charity include restricted funds comprising the following unexpended balances of grants and donations held on trust to be applied for specific purposes:

The Horseracing grant scheme represents a contribution from the British Horseracing Authority towards the costs of improving the capacity of residential accommodation.

The RSDP represents grants received from the Racing Foundation under its 'People Development' initiative to provide Rider coaching sessions, simulator training and theoretical coaching for the racing Community. The transfer in the year relates to the management fee the charity charges for to cover the salary costs incurred in administering the programme.

The RSDP grant for the mentoring programme is the development and delivery of a mentoring qualification and training pilot to standardize and increase awareness of mentors across the industry.

Horsebox grant - to fund a new horsebox.

The BHA & HBLB programmes fund is money received from the British Horseracing Association in order for the college to deliver it's courses and help with the day to day running of the facility.

Peter O'Sullivan simulator is a grant from the POS Charitable Trust to assist the Charity to purchase a new Racing Simulator which is a significant upgrade to its existing provision.

The main grants lottery is funding to develop the website, in conjunction with a grant received from the Racing Foundation.

The Racing Welfare Life Skills grant is a contribution towards our Life Skills programme.

The grant for the NARS Rec Room Refurbishment is for to improve the furniture and equipment used in the recreational areas by the students.

Transfers

In addition to the transfer from the RSDP fund, as transfer was made to general unrestricted funds from reserves held in subsidiaries for the profit gifted to the charity in the year.

Charity Statement of Funds

The charity only funds are as above, excluding reserves held in subsidiaries, being the reserves of NHC Trading Limited.

23. Summary of funds

Summary of funds - current year

	Balance at 1 August 2024 (as restated) £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2025 £
Designated funds	**56,335**	-	-	-	-	**56,335**
General funds	**2,752,854**	**2,008,866**	**(1,671,421)**	**15,634**	-	**3,105,933**
Restricted funds	**162,317**	**1,888,635**	**(1,908,960)**	**(15,634)**	-	**126,358**
	2,971,506	**3,897,501**	**(3,580,381)**	-	-	**3,288,626**

Summary of funds - prior year

	Balance at 1 August 2023 (as restated) £	Income £	Expenditure (as restated) £	Transfers in/out £	Gains/ (Losses) (as restated) £	Balance at 31July 2024 (as restated) £
Designated funds	56,335	-	-	-	-	56,335
General funds	2,404,946	1,783,811	(1,435,903)	-	-	2,752,854
Restricted funds	303,381	1,781,832	(1,922,896)	-	-	162,317
	2,764,662	3,565,643	(3,358,799)	-	-	2,971,506

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £
Tangible fixed assets	3,204,879	-	**3,204,879**
Current assets	427,900	126,358	**554,258**
Creditors due within one year	(416,557)	-	**(416,557)**
Creditors due in more than one year	(53,954)	-	**(53,954)**
Provisions for liabilities and charges	-	-	-
Total	3,162,268	126,358	**3,288,626**

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 (as restated) £	Restricted funds 2024 £	Total funds 2024 (as restated) £
Tangible fixed assets	3,111,039	-	**3,111,039**
Current assets	294,243	162,317	**456,560**
Creditors due within one year	(572,576)	-	**(572,576)**
Creditors due in more than one year	(23,517)	-	**(23,517)**
Provisions for liabilities and charges	-	-	-
Total	2,809,189	162,317	**2,971,506**

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

	Group 2025 £	Group 2024 (as restated) £
Net income for the year (as per statement of financial activities)	**317,120**	206,844
Adjustments for:		
Depreciation charges	**138,407**	132,427
(Profit) on the sale of fixed assets	**-**	(6,090)
Decrease in stocks	**6,696**	6,672
Decrease/(increase) in debtors	**113,549**	(154,964)
(Decrease)/ increase in creditors	**(126,862)**	81,400
Interest paid	**1,333**	11,445
Net cash provided by operating activities	**450,243**	277,734

26. Analysis of cash and cash equivalents

	Group 2025 £	Group 2024 £
Cash in hand	**429,700**	211,757
Total cash and cash equivalents	**429,700**	211,757

27. Analysis of changes in net debt

	At 1 August 2024 £	New debt £	Cash flows £	At 31 July 2025 £
Cash at bank and in hand	**211,757**	**-**	**217,943**	**429,700**
Debt due within 1 year	**(6,233)**	**-**	**6,233**	**-**
Finance leases	**(67,798)**	**(34,500)**	**26,987**	**(75,311)**
	137,726	**(34,500)**	**251,163**	**354,389**

28. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge includes contributions payable by the company to the fund and amounted to £126,864 (2024: £60,440). Contributions totaling £16,826 (2024: £7,031) were payable to the fund at the balance sheet date and are included in creditors.

The group operates a defined benefit pension scheme.

National Horseracing College is a member of the South Yorkshire Pension scheme which is a multi-employer pension scheme providing benefits on final pensionable pay. The assets of the scheme are held separately from those of National Horseracing College. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with National Horseracing College. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

A full actuarial valuation was carried out as the 31 July 2025 specifically for the college by Hymans Robertson LLP.

The contributions made for the year ended 31 July 2025 were £87,000 (2024: £48,000).

At the balance sheet date there were outstanding contributions payable of £22,146 (2024: £5,170).

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	At 31 July 2025 %	At 31 July 2024 %
Discount rate	**5.80**	5.00
Future salary increases	**3.35**	3.35
Future pension increases	**2.75**	2.75

	At 31 July 2025 Years	At 31 July 2024 Years
Mortality rates (in years)		
- for a male aged 65 now	**20.7**	20.5
- at 65 for a male aged 45 now	**21.5**	21.3
- for a female aged 65 now	**23.6**	23.6
- at 65 for a female aged 45 now	**25.0**	25.0

28. Pension commitments (continued)

The group's share of the assets in the scheme was:

	At 31 July 2025 £	At 31 July 2024 £
Equities	**2,718,800**	2,452,870
Government bonds	**737,960**	768,810
Property	**388,400**	366,100
Cash and other liquid assets	**38,840**	73,220
Total fair value of assets	**3,884,000**	3,661,000

The actual return on scheme assets was £42,000 (2024 - £119,000).

The College's asset ceiling on the defined benefit pension scheme is £nil. This means that it is not able to benefit from an actuarial surplus through either a reduction in contributions or refunds from the scheme.

As the asset ceiling is £nil, the College is not able to recognise any actuarial surplus in excess of this.

The actuarial valuation of the scheme over the past two years has shown a surplus, therefore there is a £nil net movement in the Consolidated Statement of Financial Activities.

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2025 £	2024 £
Current service cost	**28,000**	27,000
Past service cost	**25,000**	-
Employer contributions	**(87,000)**	(48,000)
Interest income	**(183,000)**	(171,000)
Interest cost	**151,000**	148,000
Effects of asset ceiling	**(66,000)**	(44,000)
Total amount recognised in the Consolidated Statement of Financial Activities	**-**	-

28. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2025 £
Opening defined benefit obligation	**3,032,000**
Current service cost	**28,000**
Past service cost	**25,000**
Interest cost	**151,000**
Contributions by scheme participants	**9,000**
Benefits paid	**(98,000)**
Change in financial assumptions	**(419,000)**
Change in demographic assumptions	**13,000**
Excess loss arising from the accrued benefits being increased by 1.7% in April 2025	**(29,000)**
Closing defined benefit obligation	**2,712,000**

Movements in the fair value of the group's share of scheme assets were as follows:

	2025 £
Opening fair value of scheme assets	**3,661,000**
Interest income on plan assets	**183,000**
Return on assets excluding amounts in net interest	**42,000**
Contributions by employer	**87,000**
Contributions by scheme participants	**9,000**
Benefits paid	**(98,000)**
Effects of asset ceiling	**(1,172,000)**
Closing fair value of scheme assets	**2,712,000**

Amounts for the current and previous period for the defined benefit pension schemes are as follows:

	2025 £	2024 £
Defined benefit obligation	**(2,712,000)**	(3,032,000)
Scheme assets (capped by asset ceiling)	**2,712,000**	3,032,000
Surplus/(Deficit)	**-**	-
Experience adjustments on scheme liabilities	**435,000**	25,000
Experience adjustment on scheme assets	**(42,000)**	(119,000)

29. Operating lease commitments

At 31 July 2024 the group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2025 £	Group 2024 £	**Company 2025** £	Company 2024 £
Not later than 1 year	**66,359**	57,023	**66,359**	57,023
Later than 1 year and not later than 5 years	**37,333**	51,517	**37,333**	51,517
	103,692	108,540	**103,692**	108,540

On 27 February 1996, National Horseracing College entered into a 95 years lease to rent the site from which it operates. The lease expires on 31 December 2091. The rental amount is subject to a rent review every three years. As at 31 July 2025, the annual rental charge was £56,000. The next rental review sets will set a rate to apply from April 2027.

Whilst the College is committed to this long term lease, the disclosure above includes only the known rental value to the point of the next review. As disclosed in note 3, the Trustees have made the judgment that this is an operating lease as the College does not have substantially all risks and rewards incidental to ownership due to the contingent rents occurring from the rent review, among other reasons.

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 2025 £	Group 2024 £	**Company 2025** £	Company 2024 £
Operating lease rentals	**78,478**	78,146	**78,478**	78,146

30. Related party transactions

During the year purchases were made from NHC Trading Limited (a wholly owned trading subsidiary) totalling £nil (2024: £6,898). Management charges of £37,574 were made in the year to NHC Trading Limited (2024: £35,000). At the year-end £87,005, (2024: £46,354) was due from NHC Trading Limited.

31. Controlling party

The Trust is a charity limited by guarantee and is therefore ultimately controlled by the Trustees.

32. Prior year adjustment

The actuarial valuations for the defined benefit pension scheme has calculated a net pension scheme asset for the past three years. In the previous years the College has recognised this asset. Following discussions with the actuarial and South Yorkshire Pension Scheme, it has been confirmed that the College will not benefit from reduced contributions and is unable to receive refunds from the scheme. In light of this, the pension asset does not meet the threshold required to recognise the asset beyond the asset ceiling, being the extent it offsets the defined pension liability, as this is the ceiling asset.

The impact of this material error in the previous year is as follows:

- A reduction in opening reserves as at 1 August 2023 of £441,000;
- A reduction in expenditure of £4,000 and in gains on actuarial schemes of £192,000 in the Consolidated Statement of Financial Position for the year ended 31 July 2024; and
- A reduction in the opening reserves as at 1 August 2024 of £629,000.

National Horseracing College Limited

England & Wales - Charity number 700405

Accounts

COMPANY REGISTRATION NUMBER: 02266267
CHARITY REGISTRATION NUMBER: 700405

National Horseracing College Limited

Company Limited by Guarantee

Trustees Report and Financial Statements

31 July 2024

SUTTON MCGRATH HARTLEY
Chartered accountants & statutory auditor
Queensgate House
23 North Park Road
Harrogate
North Yorkshire
HG1 5PD

National Horseracing College Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 July 2024

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National Horseracing College Limited

Company Limited by Guarantee

Trustees' Annual Report

Year ended 31 July 2024

Reference and administrative details of the company, its Trustees and advisers

Registered charity name	National Horseracing College	
Charity registration number	700405	
Company registration number	02266267	
Principal office and registered office	The Stables Rossington Hall Great North Road Doncaster South Yorkshire DN11 0HN	
The trustees	Mr Gerard Sutcliffe, Chairman Mr Howard Wright, Deputy Chairman Mr Timothy Lyle Mr James Hetherton Mr Jeffrey Ennis The Honourable Oliver Greenall Ms Susannah Gill Ms Nicola Frampton Ms Sally Iggulden Dr Helen McCarthy Mr Francis Stephenson Mr Callum Helliwell Mr David Carr	 (Resigned 16 August 2024) (Resigned 24 April 2024) (Appointed 25 September 2024)
Vice Presidents	The Rt Hon Richard Caborn Ms Julie Krone	
Patron	Countess of Halifax	
Chief Executive Officer	Mr Stephen Padgett OBE	
Independent Auditor	Sutton McGrath Hartley Chartered accountants & statutory auditor Queensgate House 23 North Park Road Harrogate North Yorkshire HG1 5PD	
Bankers	Virgin Money 19 Sepulchre Gate, Doncaster, DN1 1SJ	
Solicitors	Jordans 4 Priory Place, Doncaster, DN1 1BP	
Pension Administrators	South Yorkshire Pensions Authority Oakwell House, 2 Beevor Court, Pontefract Road, Barnsley, S71 1HG	

OVERVIEW

Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 July 2024 which coincides also with the 40th anniversary of the founding of the College in 1984.

The Annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charitable group.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

Provision - The academic year covered by this report has seen continued growth and success. Numbers of learners joining initial training have grown and, as retention rates are high, more have completed training, graduated and gone on to work-based learning (apprenticeships). Results exceed national averages across the board. The reputation of and, as a consequence, demand for the College's specialist training provision continues also to be high.

Finances – A continued theme this year has been increasing costs of everything. While all reasonable measures are taken to ensure operations are lean and efficient, inflation has hit hard. Rates of payment from Government contracts have not risen in line with costs and already modest reserves have been depleted. The fundraising climate for the NHC, just as for other charities, has been difficult, leading to reduced revenue. Therefore, applications had to be made to the racing industry seeking increased payments for what was delivered. Being less able to generate revenue from other sources, the College has to reduce slightly the discount the industry has enjoyed for many years.

A noteworthy milestone at the end of the period covered by this report was the completion of all payments on outstanding loans. So, while the NHC has limited reserves, it carries no debt.

The operating surplus for the year was £202,844 on total income of £3,565,643.

OBJECTIVES AND ACTIVITIES

Policies and objectives

The objects of the charity are to advance education, particularly among young persons, and to relieve the need of unemployed persons by the provision of vocational and academic training connected with the horse racing, equestrian, agricultural, horticultural and their allied areas.

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)'

Strategies for achieving objectives

- Provide accessible and inclusive training opportunities for people wanting to work in the horse racing industry.
- Ensure training is realistic and relevant but delivered progressively to develop learners to be ready for work.

- Provide a supportive, encouraging environment around that training enabling as many learners as possible to achieve their goals.
- Engage widely and collaboratively with employers across the industry to maximise learners' chances of gaining and keeping paid employment.
- Promote constructive behaviours and positive attitudes in all that we do.
- Make the very best of resources available to optimise the College's contribution to public benefit.

Activities undertaken to achieve objectives

- Recruit widely and remove as many barriers as possible that could deter potential learners.
- Provide bursaries and other practical support to ensure those with limited resources can access training opportunities.
- Provide intensive residential Foundation Courses covering a comprehensive syllabus that prepares them for the jobs that are available.
- Deliver life skills training to increase learners' resilience, confidence and independence.
- Match learners with the most appropriate employment opportunities to optimise their chances of satisfaction and success.
- Provide ongoing support in the workplace to enable further learner development (apprenticeships) and aid worker retention.

Main activities undertaken to further the company's purposes for the public benefit

The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aim and objectives and in planning our future activities. In particular, the trustees consider its investment into its chosen workstreams of Workforce and Community Investment contribute towards its objectives through providing a public benefit.

The National Horseracing College (NHC) is the only specialist training provider to the horse racing industry in the north of England and one of only two in the United Kingdom. The College offers a variety of training courses designed to meet industry needs. It has a reputation for delivering high quality staff, many of whom go on to have long careers in a wide variety of roles in racing.

PRIORITIES

The highest single priority is that the College fulfils its duty of care to learners on its training programmes and to staff.

Beyond that however, the priority continues to be ensuring the viability of the business. This requires:

- Sustainment or enhancement of the credibility of the NHC's training offer as perceived by potential learners and by all in the industry.
- Vigorous marketing of training opportunities leading to the recruitment of learners to fill the courses available.
- Rigorous management of costs and relentless pursuit of all available income sources.

CONTEXT

Overheads

The NHC has, like most businesses, experienced rising costs. Unlike some, it cannot simply pass on those costs by increasing charges to its customers. While salaries are the biggest single element of the NHC's overhead, despite its very lean organisational structure, the College's workforce is its greatest asset and is vital to its ability to deliver on its priorities described above. The recurring imposition of increases in the National Living Wage (NLW) have seen more staff included in that bracket and added meaningfully to the overall salary bill. Increasing numbers of staff whose salaries recognised the responsibilities they hold, see the pay difference relative to colleagues on NLW eroded or eliminated. Unsurprisingly, some wonder what incentive there is for them to continue to fulfil those extra responsibilities, or they seek pay rises to preserve differential rates. These additional overheads are imposed without any corresponding improvements for the business.

Efficiency

Many years of delivering training to a high standard with very limited resources, including having to self-generate (grants, fundraising, charity, trading) upwards of 20% of revenue, mean that the College's operations are lean and efficient. If savings are identified, they are taken. The opportunities to make further cuts are limited to non-existent without adversely affecting outputs in terms of numbers and standards.

Revenue

Government Funding – The NHC's ESFA contract has, for many years, accounted for around 40% of revenue. Effectively, it subsidises training for the racing industry. A condition of funding is that the College is subject to inspections by OFSTED to ensure it meets rigorous standards, many of which are unrelated to the requirements of racing. The size and value of the contract are dictated by the ESFA without reference to the training needs of the industry, the capacity of the College or the costs of delivery. Most of the Government money supports only young people (up to age 18), covers only partially the cost of the training delivered and cannot be relied upon to keep pace with the costs of delivery, let alone contribute to physical or procedural improvements. The NHC has been able to grow its ESFA contract and thus increase the amount of money it can draw from Government due to the increased attendance on its FC and the continued success of its Doncaster Equine College (DEC) Programme. The DEC Programme, run entirely under the umbrella of the NHC, allows more effective use to be made of many resources that have to exist anyway to enable training relating to racing pathways.

Industry Contract – The NHC's contract with the BHA (Letter of Agreement) also accounts for over 40% of total revenue. Around 80% of that contract is money allocated by the Horserace Betting Levy Board (HBLB). The Levy Board is taking an increasingly close interest in what its money delivers and is engaging more directly with the NHC.

Fundraising - In straitened times, the mismatch between the demands for and supply of donations/grants increases. Many causes are perceived to be more worthy of sympathy and support and to have more limited access to resources than racing schools, despite their extraordinary contributions to a variety of societal goods. In addition, grant-making bodies, within and external to racing, often are more willing to embrace and establish new initiatives and opportunities, assuming core business is or should be funded by routine revenue but it is core funding that is needed, not new activities that add to overheads.

Commercial Opportunities – The NHC takes every opportunity to 'sweat its assets'. Trading that will generate income is pursued wherever possible, such as by letting facilities, farming land and encouraging sponsors. However, these are peripheral to core business and generate revenue that is only marginally significant.

Staffing In The Horseracing Industry

The industry's staff shortfall is well known, if not easily quantified. The debate about the resilience and commitment of staff, conditions of employment and the culture on racing yards aside, the fact is that significant vacancies exist, now and for the foreseeable future. Employers need and want every trained person the NHC can provide.

While the College is mandated to deliver recruits from its FC trained to Level 1, employers really would like to receive Level 2 staff/riders. The vast majority of racehorse training businesses could not provide initial training in-house and whilst the long-term funding model for training may well include increases in direct funding from employers it is unrealistic to expect training business to be able to adjust to making a significant direct contribution in the short-term. In striving to meet employer needs and to enable the success of graduates, the NHC and its sister school the BRS make significant extra efforts to deliver people to work placement at a higher standard than their remit dictates. While that costs money, currently it is what has to happen to ensure young people entering the industry are hired and retained by employers.

The number of people who have experience of living in rural environments and of working with animals/horses is reducing while there are extensive opportunities for people to be paid to work in conditions that are not arduous. As a consequence, it is increasingly difficult to attract people into and retain them after they join the industry's workforce.

Societal influences and learner needs have and continue to change at pace. The pandemic and responses to it were accelerants. The day-to-day experience of training staff is that fewer learners have benefited from the opportunities, support and education required to gain basic levels of fitness, good communication skills and an appreciation of the requirements of paid work. A great deal more time, patience and skill is required from leaders, instructors and support staff to instil the attitudes, standards and work-rates that will enable learners' success in the industry's work force.

ACTIVITIES AND ACHIEVEMENTS

Marketing and Recruiting (M&R)

The success of the College's M&R team (now 4 staff) is vital to the pursuit of its priorities. It is accepted and understood that investment in people and activities in this area does not deliver instant results but that they build over time if consistent and persistent. It is encouraging that, this year, increases during the last few years in expressions of interest, engagement through social media and applications have begun to manifest themselves in attendance numbers which exceed any previous years and lead to the College being able to fulfil its Government contract and access additional funds.

Study Programmes

The College's Education Programme for Young People (EPYP) courses include the Residential Foundation Course (FC) and the non-residential, day-attendance Doncaster Equine College (DEC) Programme.

Doncaster Equine College (DEC) Programme

The DEC programme involves 17.5 hours per week for day students across a normal academic year of 36 weeks. Programme qualifications include L1 Diploma in Horse Care, L2 Technical and Extended Certificates in Horse Care and L3 Advanced Technical Certificate. Functional skills are included, along with GCSEs for some learners. Learners often progress to the next level depending on their ability and career aspirations. Most learners are 16–18-year-olds who help the NHC fill its ESFA contract and are funded but there are also a small number of 19+ learners who do not attract Government funding.

The curriculum includes social development skills covering employability, self-belief, time management and functional skills at different levels. The course prepares non-employed young people for the world of work, they participate in shows, normally outside of curriculum hours to practise and improve their skills further. There is a range of other additional accreditation opportunities available through the Colleges access to the racing industry's VLE - Racing2Learn.

In 2023/24, 45 learners embarked on the DEC Programme. Retention rates are high at 84% overall. Achievements also are high with L1 Horse Care Diploma at 84.4%, Level 2 Technical Certificate at 90% and Level 3 Advanced Technical Certificate at 85.7% for year one and 100% for year 2. Achievement rates in English and maths also are high with combined English success rates of 79.6% and combined maths of 84.9%. These results are particularly noteworthy in light of the starting points of learners which include that 19% did not complete school, 11% had an Education Health Care Plan, 32% had a perceived learning difficulty, 10% had a disability, 17% had a physical health problem, 33% believe they have a mental health problem and 32% have received counselling or had a support worker.

Foundation Course

The FC is 12 weeks duration followed by a 6-week work placement planned with an employer. It welcomes intakes of up to 15 learners every 4 weeks, most being 16–18-year-olds living away from home for the first time. Each intake also may include 19+ learners who are not ESFA funded.

Learners follow an intensive curriculum that includes social development skills covering employability, cooking, resilience, self-belief, time management skills and preparation for functional skills at different levels. Training prepares non-employed young people for the world of work but also to become independent, capable members of society. Parent or guardian feedback is very positive about the personal development and improved behaviour of their young people. The range of additional training provided includes: safeguarding; understanding consent; autism awareness; diversity and inclusion; concussion awareness; pay and employee rights in the workplace; alcohol, drug and gambling awareness; welfare and healthy nutrition.

Qualifications on the FC include L1 Diploma in Racehorse Care and Riding, L1 Diploma in Work-Based Horse Care, Entry 3 Award in Basic Knowledge of the Horseracing Industry, L3 Award Short Journey in the Transportation of Horses, Functional Skills and Emergency 1st Aid. Achievement rates in the L1 Diploma improved on last year to 89% compared to 83% Nationally. Overall, the Study Programme saw 99 achievers, equalling last year and up from 72 in 2021/22.

Given that the FC is determinedly inclusive and non-selective, the retention rate for all age groups was impressive at 92%, matching the rates achieved in 2022/23 and 2021/22. At the end of the learning course, 89% of funded learners (16-18) and 100% of unfunded (19+) learners celebrated their success in a graduation ceremony. Of those who graduated from the FC, 90% (from 89% last year) went into work placement and of those 86% went on to an apprenticeship, employment of further education.

Feedback from parents, guardians and carers shows that 97.8% believe learners' personal development e.g. behaviours, maturity and emotionally, was outstanding or good during their training at the College.

Learners with learning difficulties (LLDD) thrive at the NHC and achieve at rates above what is usual in other training environments. Learners with LLDD succeed at rates very close to or exceeding those who have no LLDD.

Basic Skills (English & Maths)

Results achieved by learners across age ranges and at different levels linked to whatever was their start point show combined basic skills success rates at 83% compared to 61% Nationally. Combined English success rates were 80% and combined maths were 85%. Teaching of basic/functional skills usually is in much smaller groups than is the norm in mainstream schooling and teachers provide context for the subjects that relates to equine activities which tends to help leaners appreciate the relevance and value

of the subjects. As a result, almost all levels of achievement are significantly ahead of National rates.

Apprenticeships

The College offers level 2 and level 3 apprenticeships in equine groom and senior equine groom including diplomas. Additional qualifications are offered to learners including emergency first aid, safeguarding, transporting horses by road on long journeys and L2 functional skills.

In this period there were 212 learners in learning overall, an increase on the previous year that continues the trend of year-on-year growth since 2019. Achievement levels continue to be well ahead of National averages with 100% passing their end point assessment (EPA) and 33% achieving distinction at Level 2.

The College's staff work hard to match learners graduating from the FC to employers to determine the best possible placement for them. The frequency of support for learners on transition to apprenticeships has increased, with consequent improvement in progressions. Once on apprenticeships, learners are employed in line with a national wage scale sanctioned by the British Horseracing Authority (BHA), which exceeds Apprenticeship wage requirements. Learners are on apprenticeships for up to 18 months. Although the industry tends to suffer from quite high rates of employee turnover, the NHC's Roving Instructors maintain close contact with work-based learners to retain them on programme until completion. Achievers are encouraged to continue to progress their careers beyond their qualification. Thorough tracking shows that 73% stay in the equine industry after their L2 apprenticeship and 83% after their L3 apprenticeship.

Staff Performance

All staff involved in teaching learners are observed and provided with constructive feedback to promote high standards of teaching. During this period, 100% of observed sessions were assessed to be good or outstanding. The College continues to focus on CPD and training for its staff, taking account of the long working hours that are typical in the horseracing sector. Observation criteria have been adapted to meet the requirements of the new external inspection regime.

Fundraising and Commercial Activities

Although these activities have not recovered to pre-pandemic levels, both the NHC's well-established charity race day events (Pontefract and Doncaster) made important contributions. In addition, applications to NARS and the Sir Peter O'Sullevan Charitable Trust had some success in obtaining grants which were received with gratitude.

Infrastructure and Equipment

The NHC continued to invest in these areas as part of its strategy to enhance the offer to learners and to attract commercial users. During this period, improvements have been made to residential facilities, yards and training grounds.

FINANCIAL REVIEW

Going concern

The charity, for some years, has been unable to comply with its policy to hold free reserves of between 1- and 2-months operational expenditure.

Steps taken by central government, local authorities and the racing industry have already helped to support the College's own efforts to sustain its staff and learners through the pandemic period, but coupled with increasing cost pressures, uncertainties remain about the long-term funding of the industry pending the publication of a new people strategy. However, the business has taken decisive and

effective measures to preserve cash flow and increase its resilience.

The trustees have prepared forecasts of income and expenditure and cash flow for the period to 31 December 2025 which show that they have sufficient cash to be able to continue for the foreseeable future. The trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

Reserves policy

The NHC was unable to keep two month's operating costs in reserve.

Net current liabilities as at 31 July 2024 are £116,016 of which £162,317 are represented by restricted funds, leaving unrestricted net current assets of £46,301 (of which £56,335 are held as designated funds). Whilst this is below the minimum free reserves level of around £500,000; the College is moving in the right direction and expects to meet the target levels by the generation of surpluses in future years.

Pay policy for key management personnel

Trustees and senior leaders continue to recognise that the organisation's success is reliant on its team of dedicated staff. As salaries had not increased since 2021, a 10% increase was paid with effect from 01 July 2024.

Financial performance

The operating surplus for the year was £202,844 (2023: deficit of £177,408) with an actuarial gain for UK accounting purposes, which does not affect cash, of £192,000 (2023: £643,000) due to periodic revaluation of pension asset / liabilities, leading to a net surplus for the year of £394,844 (2023: £465,592).

The total funds carried forward at the year-end are £3,600,506 (2023: £3,205,662) of which £3,438,189 (2023: £2,902,281) are unrestricted and £162,317 (2022: £303,381) are restricted.

Pension fund

The Accounting for Pensions regulations have had an impact on the net assets position of the Charity once again. The latest actuarial valuation of the Scheme resulted in an increase in the asset on the defined benefit pension scheme of £188k from £441,000 to £629,000.

This asset is, of course, a statement of the theoretical pension asset of the Charity at the balance sheet date based upon current assumptions of future discount rates; future salary and pension increases and inflation. The asset only crystallises when members retire or in the event of the winding up of the scheme, which is highly unlikely given that it is the multi-employer South Yorkshire local Government Scheme. The scheme has been closed to new NHC employees since before 2015.

RISK MANAGEMENT

While the NHC's leaders view the monitoring, assessment and mitigation of risks to be an ongoing process, risk management policies are subject to periodic review. Risks are categorised low, medium or high in terms of likelihood and seriousness. Modifying actions in response will transfer, treat, tolerate or terminate each risk. Every risk has a designated owner and a timeframe for actions to be taken. The table below illustrates some of the risk areas with potentially most serious consequences:

Risk	Likelihood	Seriousness	Modifying Actions	Owner
Safeguarding failure - learner	MEDIUM	HIGH	TREAT Training, supervision.	Ops Dir (Safeguarding Lead)
Fixed costs exceeding ESFA & BHA contract payments	MEDIUM	HIGH	TREAT Demonstrate: Value of NHC's outputs. Efficiency of operation.	CEO
Major IT breach	MEDIUM	HIGH	TREAT Retain comprehensive IT specialist support, backup protocols, protective measures, training.	CEO
Reduction in Industry resources from Levy	MEDIUM	HIGH	TOLERATE Exert influence, demonstrate social value added.	CEO
Actual or Reputational damage due to vexatious complaints	MEDIUM	MEDIUM	TREAT Ensure policies & procedures are justified, current, followed and actions recorded.	CEO
Human disease preventing delivery/receipt of training	LOW	HIGH	TREAT Awareness, preparation, training, discipline.	CEO
Safeguarding failure - staff	LOW	HIGH	TREAT DBS checks, training, supervision.	CEO
Catastrophic fire/flood	LOW	HIGH	TREAT Dispersal of assets, backup protocols, protective measures, training, comprehensive and up-to-date insurance cover.	CEO
Loss of ESFA contract	LOW	HIGH	TREAT Maintain or enhance quality of provision (OFSTED 1 or 2) while fulfilling/over-performing against contract.	CEO
Loss of BHA contract	LOW	HIGH	TREAT Continue to subsidize cost to industry, fulfil/over-perform against BHA contract, respond to industry needs.	CEO
Equine disease preventing delivery of training	LOW	HIGH	TREAT Maintain situational awareness, contingency planning, training.	Training Manager

STRUCTURE AND GOVERNANCE

Constitution

National Horseracing College registered as a charitable company limited by guarantee with no share capital and was set up by a Memorandum of Association on 19 February 1988 and is a registered charity number 700405.

Methods of appointment or election of Trustees

The management of the company and the group is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited through sector networks and approached to discuss taking on a trustee role.

Organisational structure and decision-making policies

The Board meets quarterly. Its business always includes a comprehensive update from the Chief Executive. Business decisions that have strategic significance are made at Board level.

There is a single standing sub-committee, the Finance Committee which is chaired by the Chairman of trustees. Attendees include the Chief Executive, the Finance Director, the Operations Director and the Support Services Manager. All major financial decisions are recommended to the Main Board where decision making occurs.

Task and Finish Groups are established for specific purposes e.g. Nominations Committee to identify a new Chairman or a selection panel to select a new Chief Executive.

All trustees, including the Chair, have fixed terms of office.

Policies adopted for the induction and training of Trustees

New trustees are provided with a comprehensive induction, led by the Chief Executive and involving other staff, to ensure they are provided with a comprehensive view of what the NHC does and how it does it.

All trustees are informed of trustee training opportunities organised by external bodies and encouraged to attend ones that will be valuable to them.

Informal visits by trustees are encouraged at any time to allow them to get to know the College well.

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 including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make 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 assume that the Group will continue in business.

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

Disclosure of information to auditor

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

so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and

that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditor is aware of that information.

Auditor

The auditor, Sutton McGrath Hartley, has indicated their willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

PLANS FOR FUTURE PERIODS

The continued success of the College is linked inextricably to the health and success of racing as a whole. Trustees appreciate greatly therefore, efforts being made by the BHA and others to implement the industry's new strategy and the Workforce Strategy that will be developed within that. These plans for the whole of racing will inform important and much-needed decisions to shape the future for employees, participants, attendees and supporting or related activities. Trustees expect the College's leadership to engage with and contribute to the industry's planning and to contribute actively to ongoing success.

In the meantime, they are extremely proud of the performance of the College which, in terms of its delivery for racing and for its learners, has continued to build on the success of previous years.

They believe that the company has adequate resources to continue as a going concern and they look forward to the future with justifiable optimism.

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

Signed

G Sutcliffe

Chairman

Opinion

We have audited the financial statements of National Horseracing College (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 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 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 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 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 Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements, and
- 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 group and parent 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 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors' report and from the requirement to prepare a strategic report.

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.

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, 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 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.

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 audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent 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, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

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

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

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Howard Matthews (Senior statutory auditor)
for and on behalf of
Sutton McGrath Hartley
Queensgate House
23 North Park Road
Harrogate
HG1 5PD
Date: 5 March 2025

National Horseracing College Limited

Company Limited by Guarantee

Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account)

Year ended 31 July 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	4	**40,099**	**-**	**40,099**	31,136
Charitable activities	5	**1,609,786**	**1,781,832**	**3,391,618**	2,832,648
Other trading activities	6	**127,836**	**-**	**127,836**	141,857
Other income	7	**6,090**	**-**	**6,090**	89,060
Total income		**1,783,811**	**1,781,832**	**3,565,643**	3,094,701
Expenditure on:					
Raising funds:	8				
Voluntary income		**109,237**	**-**	**109,237**	128,868
Other trading		**74,437**	**-**	**74,437**	78,436
Charitable activities	9	**1,244,784**	**1,922,896**	**3,167,680**	3,055,508
Other expenditure	11	**11,445**	**-**	**11,445**	9,297
Total expenditure		**1,439,903**	**1,922,896**	**3,362,799**	3,272,109
Net (expenditure)/income		**343,908**	**(141,064)**	**202,844**	(177,408)
Net movement in funds before other recognised gains		**343,908**	**(141,064)**	**202,844**	(177,408)
Other recognised gains:					
Actuarial gains on defined benefit pension schemes	28	**192,000**	**-**	**192,000**	643,000
Net movement in funds		**535,908**	**(141,064)**	**394.844**	465,592
Reconciliation of funds:					
Total funds brought forward		**2,902,281**	**303,381**	**3,205,662**	2,740,070
Net movement in funds		**535,908**	**(141,064)**	**394,844**	465,592
Total funds carried forward		**3,438,189**	**162,317**	**3,600,506**	3,205,662

The Consolidated Statement of Financial Activities complies with the requirements for an income and expenditure account under Companies Act 2006 and includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

National Horseracing College Limited

Company Limited by Guarantee

Consolidated Statement of Financial Position

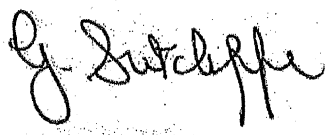
Year ended 31 July 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	16		**3,111,039**		3,133,378
			3,111,039		3,133,378
Current assets					
Stocks	18	**45,588**		52,260	
Debtors	19	**199,215**		44,251	
Cash at bank and in hand		**211,757**		97,917	
		456,560		194,428	
Creditors: amounts falling due within one year	20	**(572,576)**		(533,125)	
Net current liabilities			**(116,016)**		(338,697)
Total assets less current liabilities			**2,995,023**		2,794,681
Creditors: amounts falling due after more than one year	21		**(23,517)**		(30,019)
Net assets excluding pension asset			**2,971,506**		2,764,662
Defined benefit pension scheme asset	28		**629,000**		441,000
Total net assets			**3,600,506**		3,205,662
Charity funds					
Restricted funds	22		**162,317**		303,381
Unrestricted funds					
Designated funds	22	**56,335**		56,335	
General funds	22	**2,752,854**		2,404,946	
Unrestricted funds excluding pension asset	22	**2,809,189**		2,461,281	
Pension asset	22	**629,000**		441,000	
Total unrestricted funds	22		**3,438,189**		2,902,281
Total funds			**3,600,506**		3,205,662

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:



Mr Gerard Sutcliffe
(Chair of Trustees)
Date: Mar 5, 2025

The notes on pages 22 to 51 form part of these financial statements.

National Horseracing College Limited

Company Limited by Guarantee

Company Statement of Financial Position

Year ended 31 July 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	16		**3,087,482**		3,104,894
Investments	17		**2**		2
			3,087,484		3,104,896
Current assets					
Stocks	18	**32,873**		40,266	
Debtors	19	**241,384**		55,062	
Cash at bank and in hand		**153,682**		71,893	
		427,939		167,221	
Creditors: amounts falling due within one year	20	**(558,920)**		(515,956)	
Net current liabilities			**(130,981)**		(348,735)
Total assets less current liabilities			**2,956,503**		2,756,161
Creditors: amounts falling due after more than one year	21		**(23,517)**		(30,019)
Net assets excluding pension asset			**2,932,986**		2,726,142
Defined benefit pension scheme asset	28		**629,000**		441,000
Total net assets			**3,561,986**		3,167,142

National Horseracing College Limited

Company Limited by Guarantee

Company Statement of Financial Position *(Continued)*

Year ended 31 July 2024

	Note		2024 £		2023 £
Charity funds					
Restricted funds	22		162,317		303,381
Unrestricted funds					
Designated funds	22	56,335		56,335	
General funds		2,714,334		2,366,426	
	22				
Unrestricted funds excluding pension asset	22	2,770,669		2,422,761	
Pension asset	22	629,000		441,000	
Total unrestricted funds	22		3,399,669		2,863,761
Total funds			3,561,986		3,167,142

The company has taken advantage of the exemption allowed under s408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The company's net movement in funds for the year was £394,844 (2023 - £465,592).

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:

G. Sutcliffe

Mr Gerard Sutcliffe
(Chair of Trustees)
Date: Mar 5, 2025

The notes on pages 22 to 51 form part of these financial statements.

National Horseracing College Limited

Company Limited by Guarantee

Consolidated Statement of Cash Flows

Year ended 31 July 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash provided by operating activities	25	**277,734**	110,439
Cash flows from investing activities			
Purchase of tangible fixed assets		**(134,600)**	(188,871)
Proceeds from disposal of fixed assets		**30,600**	
Net cash used in investing activities		**(104,000)**	(188,871)
Cash flows from financing activities			
Repayments of borrowing		**(48,449)**	(60,068)
Interest paid		**(11,445)**	(9,297)
Net cash used in financing activities		**(59,894)**	(69,365)
Change in cash and cash equivalents in the year		**113,840**	(147,797)
Cash and cash equivalents at the beginning of the year		**97,917**	245,714
Cash and cash equivalents at the end of the year	26	**211,757**	97,917

1. General information

The charity is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Its registered office is The Stables, Rossington Hall, Great North Road, Doncaster, South Yorkshire, DNII 0HN.

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 issued October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

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

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 Going concern

The charity, for some years, has been unable to comply with its policy to hold free reserves of between 1- and 2-months operational expenditure. Group surpluses in unrestricted funds in recent years had allowed the College to work towards adherence of the policy, however the onset of the global pandemic brought increased risk to the charity's finances.

Steps taken by central government, local authorities and the racing industry have already helped to support the College's own efforts to sustain its staff and learners through the pandemic period, but coupled with increasing cost pressures, uncertainties remain about the long-term funding of the industry pending the publication of a new people strategy. However, the business has taken decisive and effective measures to preserve cash flow and increase its resilience.

The Trustees have prepared forecasts of income and expenditure and cash flow for the period to 31 December 2024 which shows that they have sufficient cash to be able to continue for the foreseeable future.

2. Accounting policies (continued)

2.3 Going concern (continued)

The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

2.4 Income

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

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service. Included in other income is CJRS income which is recognised in the period for which the claim was made.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

2. Accounting policies (continued)

2.5 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

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

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value *over* their estimated useful lives .

Depreciation is provided on the following bases:

Visitor centre	- Variable between 2% - 33% on a reducing balance
Building refurbishment	- Variable between 1% - 20% on a reducing balance
Leasehold land & buildings	- Variable between 1% - 20% on a reducing balance
Stable block	- 1% reducing balance
Plant, equipment and motor vehicles	- Variable between 5% - 20% on a reducing balance
Gallop, menage and indoor riding	- Variable between 1% - 10% on a reducing balance school
Assets under construction	- Not depreciated
Computer equipment	- Variable between 20% - 33% on a straight line

2.7 Investments

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

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2. **Accounting policies (continued)**

2.9 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.

2.10 Cash at bank and in hand

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

2.11 Liabilities

Liabilities and provisions 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.

2.12 Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2. **Accounting policies (continued)**

2.15 Pensions

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

The group operates a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

2.16 Fund accounting

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

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

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

2.17 Taxation

The company is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.18 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The present value of the South Yorkshire (SY) defined benefit pension liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net costs or income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the liability.

4. Income from donations and legacies

	Unrestricted funds 2024	Total funds 2024	Total funds 2023
	£	£	£
Donations			
Pontefract race day income and Leger Legends income	40,099	**40,099**	31,136
	40,099	**40,099**	31,136
Total 2023	31,136	31,136	

5. Income from charitable activities

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Operation of educational and training college	14,796	1,602,012	**1,616,808**	1,322,066
ESFA	1,531,210	-	**1,531.210**	1,191,840
Other activity related income	43,780	-	**43,780**	26,368
Grants (see detailed breakdown below)	20,000	179,820	**199,820**	292,374
	1,609,786	1,781,832	**3,391,618**	2,832,648
Total 2023	1,225,548	1,607,100	2,832,648	

Grants

	2024 £	2023 £
Main Grants Lottery Community Fund – Life skills	**13,320**	**-**
Racing foundation RSDP Website	**7,500**	**-**
BHA	**159,000**	**159,000**
NARS - refurbishment of recreation room	**-**	**18,894**
Peter O'Sullevan - furlong rails replacement	**-**	**19,980**
Racing welfare	**-**	**14,500**
Racing Foundation - racing simulator	**-**	**90,000**
RF Lunge Pen repayment	**-**	**(10,000)**
Total restricted grants	**179,820**	292,374
The Sir Peter O'Sullevan Charitable Trust	**20,000**	-
Total unrestricted grants	**-**	-
Total	**199,820**	292,374

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024£	Total funds 2024 £	Total funds 2023 £
NHC Trading Limited	127,836	**127,836**	141,857
Total 2023	141,857	141,857	

The charity has a wholly owned trading subsidiary, NHC Trading Limited (company number 03538751). The company was incorporated on 1 April 1998 and has issued share capital of two ordinary shares. The company gifts its taxable profits to National Horseracing College. Unaudited accounts are filed with Companies House.

7. Other incoming resources

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Profit on disposal of fixed assets	6,090	6,090	-
Insurance receipts	-	-	89,060
Total 2023	89,060	89,060	

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Fundraising and publicity	250		**250**	250
Voluntary income staff costs	108,987	-	**108,987**	128,618
	109,237	-	**109,237**	128,868
Total 2023	102,868	-	128,868	

Other trading expenses

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Cost of sales	59,934	**59,934**	65,451
Administration expenses	9,576	**9,576**	6,078
Depreciation	4,927	**4,927**	6,907
Total 2024	74,437	**74,437**	78,436
Total 2023	78,436	78,436	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	**Total 2024 £**	Total 2023 £
Operation of educational and training college	1,244,784	1,922,896	**3,167,680**	3,055,508
Total 2024	1,244,784	1,922,896	**3,167,680**	3,055,508
Total 2023	1,512,805	1,542,703	3,055,508	

10. Summary by expenditure category

	2024	2023
	£	£
Training costs	288,118	259,593
Accommodation	333,741	311,593
Stable yard	268,087	203,389
Staff costs	1,156,188	1,253,864
Pension finance costs	4,000	38,000
Depreciation	127,500	110,750
Total direct costs	**2,177,634**	2,177,189
Administration costs	382,549	333,585
Staff costs	357,730	341,338
Total management and administration	**740,279**	674,923
Support administration costs	75,111	70,773
Total support costs	**75,111**	70,773
Governance costs (see note 12)	174,656	132,623
Overall Total	**3,167,680**	3,055,508

11. Other expenditure

	Unrestricted funds 2024	Total funds 2024	Total funds 2023
	£	£	£
Bank and other interest	11,445	**11,445**	9,297
Total 2023	9,297	9,297	

12. Governance costs

	Unrestricted funds 2024	Total funds 2024	Total funds 2023
	£	£	£
Auditor's remuneration	13,650	**13,650**	10,292
Trustees' expenses	9,017	**9,017**	1,043
Legal and professional	9,055	**9,055**	15,859
Salaries and related charges	142,934	**139,634**	105,429
Total 2024	174,656	**171,356**	132,623
Total 2023	132,623	132,623	

13. Net income/(expenditure)

This is stated after charging:

	2024	2023
	£	£
Depreciation of tangible fixed assets owned by the group	**73,750**	117,657
Depreciation of tangible fixed assets held under finance leases	**53,750**	5,226
Auditor's remuneration- audit	**13,650**	10,292
Profit on disposal	**(6,090)**	-

14. Staff costs

	Group 2024 £	Group 2023 £	**Company 2024** £	Company 2023 £
Wages and salaries	**1,540,097**	1,549,193	**1,540,097**	1,549,193
Social security costs	**134,809**	131,698	**134,809**	131,698
Pension costs	**60,440**	59,514	**60,440**	59,514
Operating costs of defined benefit pension schemes	**4,000**	38,000	**4,000**	38,000
	1,739,346	1,778,405	**1,739,346**	1,778,405

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

	Group 2024 No.	Group 2023 No.
	62	59

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

	Group 2024 No.	Group 2023 No.
In the band £110,000 - £120,000	-	1
In the band £120,000 - £130,000	1	-

The total remuneration and benefits received by key management personnel including employer's NI and pension was £323,003 (2023: £283,767). The trustees consider senior management personnel to be the Chief Executive Officer, the Operations Director, the Work- Based Learning Manager, the Training Manager and the MIS and Compliance Manager.

15. Trustees' remuneration and expenses

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

During the year ended 31 July 2024, expenses totalling £879 were reimbursed or paid directly to 4 Trustees (2023 - £1,043 to 4 Trustees). These expenses relate to the reimbursement of travel expenses incurred by the Trustees when attending National Horseracing College Trustee meetings and events

16. Tangible fixed assets

Group

	Visitor centre	Building refurbishment	Leasehold Land & Buildings	Stable Block	Gallop, Menage & Indoor Riding School	Plant, Equipment & Motor Vehicles	Computer equipment	Total
	£	£	£	£	£	£	£	£
Cost or valuation								
At 1 August 2023	**816,681**	**478,125**	**1,244,177**	**728,795**	**985,277**	**786,848**	**141,662**	**5,181,565**
Additions	**-**	**16,859**	**-**	**-**	**15,248**	**102,493**	**-**	**134,600**
Disposals						**(42,445)**		**(42,445)**
At 31 July 2024	**816,681**	**494,984**	**1,244,177**	**728,795**	**1,000,525**	**846,896**	**141,662**	**5,273,720**
Depreciation								
At 1 August 2023	**276,210**	**267,060**	**329,307**	**183,342**	**509,504**	**398,552**	**84,212**	**2,048,187**
Charge for the year	**30,000**	**6,800**	**11,452**	**6,250**	**19,500**	**44,175**	**14,250**	**132,427**
Elimination on disposal						**(17,933)**		**(17,933)**
At 31 July 2024	**306,210**	**273,860**	**340,759**	**189,592**	**529,004**	**424,794**	**98,462**	**2,162,681**
Net book value								
At 31 July 2024	**510,471**	**221,124**	**903,418**	**539,203**	**471,521**	**422,102**	**43,200**	**3,111,039**
At 31 July 2023	540,471	211,065	914,870	545,453	475,773	388,296	57,450	3,133,378

16. **Tangible fixed assets (continued)**

Company

	Visitor centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Total £
Cost or valuation								
At 1 August 2023	816,681	478,125	1,240,036	728,795	985,277	661,814	141,662	5,052,390
Additions	-	16,859	-	-	15,248	102,493	-	134,600
Disposals						(42,445)		(42,445)
At 31 July 2024	816,681	494,984	1,240,036	728,795	1,000,525	721,862	141,662	5,144,545
Depreciation								
At 1 August 2023	276,210	267,060	328,150	183,342	509,504	299,018	84,212	1,947,496
Charge for the year	30,000	6,800	10,700	6,250	19,500	40,000	14,250	127,500
Elimination on disposal						(17,933)		(17,933)
At 31 July 2024	306,210	273,860	338,850	189,592	529,004	321,085	98,462	2,057,063
Net book value								
At 31 July 2024	510,471	221,124	901,186	539,203	471,521	400,777	43,200	3,087,482
At 31 July 2023	540,471	211,065	911,886	545,453	475,773	362,796	57,450	3,104,894

16. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2023	2
At 31 July 2024	**2**
Net book value	
At 31 July 2024	**2**
At 31 July 2023	2

National Horseracing College owns 100% of the ordinary share capital of its trading subsidiary, NHC Trading Limited, a company incorporated in England and Wales.

17. Fixed asset investments

(continued) Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	Company number	Registered office or principal Place of business	Class share	Holding
NHC Trading Limited	03538751	The Stables, Rossington Hall, Great North Road, Doncaster, DH11 0HN	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
NHC Trading Limited	**127,836**	**(109,437)**	**18,399**	**38,520**

18. Stocks

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Finished goods	**45,588**	52,260	**32,873**	40,266

19. Debtors

	Group 2024 £	Group 2023 £	Company 2024 £	Company 2023 £
Trade debtors	**192,068**	42,239	**187,880**	35,450
Amounts owed by group undertakings	**-**	-	**46,357**	17,600
Other debtors	**7,147**	2,012	**7,147**	2,012
Prepayments and accrued income	**-**	-	**-**	-
	199,215	44,251	**241,384**	55,062

20. Creditors: Amounts falling due within one year

	Group 2024 £	Group 2023 £	**Company 2024** £	Company 2023 £
Bank loans	**6,233**	72,438	**6,233**	72,438
Trade creditors	**142,107**	130,004	**134,377**	119,160
Other taxation and social security	**59,894**	44.634	**59,894**	44,634
Net obligations under finance lease and hire purchase contracts	**44,281**	20,023	**44,281**	20,023
Other creditors	**320,061**	266,026	**314,135**	259,701
	572,576	533,125	**558,920**	515,956

21. Creditors: Amounts falling due after more than one year

	Group 2024 £	Group 2023 £	**Company 2024** £	Company 2023 £
Bank loans	**-**	6,233	**-**	6,233
Net obligations under finance lease and hire purchase contracts	**23,517**	23,786	**23,517**	23,786
	23,517	30,019	**23,517**	30,019

Bank loans and overdrafts are secured by way of a first legal charge over the assets and undertakings of the charity, including the Residential Centre, Rossington Hall, Great North Road, Doncaster.

Bank loans are repaid monthly over the term of the loan. Interest is payable at a fixed rate of 5.955%. Interest on any bank overdrafts is payable at 5.55% above base rate.

22. Statement of funds

Statement of funds - current year

	Balance at 1 August 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31July 2024 £
Unrestricted funds						
Designated funds						
College improvements	56,335	-	-	-	-	56,335
General funds						
General funds	2,366,426	1,549,911	(1,220,402)	18,399	-	2,714,334
Reserves held in subsidiary	38,520	127,836	(109,437)	(18,399)	-	38,520
Pension fund	441,000	-	(4,000)	-	192,000	629,000
	2,845,946	1,677,747	(1,333,839)	-	192,000	3,381,854
Total Unrestricted Funds	2,902,281	1,677,747	(1,333,839)	-	192,000	3,438,189
Restricted funds						
Horseracing grant scheme	46,841	-	(16,083)	-	-	30,758
RSDP	188,415	163,168	(236,006)	-	-	115,577
Horsebox grant	8,187	-	-	-	-	8,187
Peter O'Sullevan Trust	38,125		(38,125)	-	-	-
RF RSDP Website	-	13,320	(13,320)			-
Main grants lottery	-	7,500	(5,945)	-	-	1,555
NARS Rec room refurbishment	12,614		(6,374)	-	-	6,240
POS Furlong replacement	9,199		(9,199)	-		-

BHA & HBLB programmes	-	1,597,844	(1,597,844)	-		
Total restricted Funds	303,381	1,781,832	(1,922,896)	-		162,317
Total Funds	3,205,662	3,459,579	(3,256,735)	-	192,000	3,600,506

22.Statement of funds

Statement of funds – prior year

	Balance at 1 August 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31July 2023 £
Unrestricted funds						
Designated funds						
College improvements	56,335	-	-	-	-	56,335
General funds						
General funds	2,562,186	1,345,744	(1,562,970)	21,466	-	2,366,426
Reserves held in subsidiary	38,520	141,857	(128,436)	(13,421)	-	38,520
Pension fund	(164,000)	-	(38,000)	-	643,000	441,000
	2,436,706	1,487,601	(1,729,406)	8,045	643,000	2,845,946
Total Unrestricted Funds	2,493,041	1,487,601	(1,729,406)	8,045	643,000	2,902,281
Restricted funds						
Horseracing grant scheme	46,841	-	-	-	-	46,841
RSDP	135,831	159,000	(106,416)	-	-	188,415
Horsebox grant	8,187	-	-	-	-	8,187
Peter O'Sullevan Trust	48,125	(10,000)	-	-	-	38,125
Racing Foundation – Lunge Pen	8,045	-	-	-	(8,045)	-
Racing welfare	-	14,500	(14,500)	-	-	-
NARS Rec room refurbishment	-	18,894	(6,280)	-	-	12,614
POS Furlong replacement	-	19,980	(10,781)	-	-	9,199
RF New simulator vehicle	-	90,000	(90,000)	-	-	-

BHA & HBLB programmes	-	1,314,726	(1,314,726)	-	-	-
Total restricted Funds	247,029	1,607,100	(1,542,703)	(8,045)	-	303,381
Total Funds	2,740,070	3,094,702	(3,272,110)	-	643,000	3,205,662

Restricted Funds

The funds of the charity include restricted funds comprising the following unexpended balances of grants and donations held on trust to be applied for specific purposes:

The Horseracing grant scheme represents a contribution from the British Horseracing Authority towards the costs of improving the capacity of residential accommodation.

The RSDP represents grants received from the Racing Foundation under its 'People Development' initiative to provide Rider coaching sessions, simulator training and theoretical coaching for the racing Community.

Horsebox grant - to fund a new horsebox.

The lunge pen grant are two grants, one from The Peter O'Sullivan Trust and one from The Racing Foundation to create a new lunge pen for horses.

The BHA & HBLB programmes fund is money received from the British Horseracing Association in order for the college to deliver it's courses and help with the day to day running of the facility.

Peter O'Sullivan simulator is a grant from the POS Charitable Trust to assist the Charity to purchase a new Racing Simulator which is a significant upgrade to its existing provision.

23. Summary of funds

Summary of funds - current year

	Balance at 1 August 2023 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2024 £
Designated funds	**56,335**	-	-	-	-	**56,335**
General funds	**2,845,946**	**1,549,911**	**(1,220,402)**	**18,399**	**188,000**	**3,385,854**
Restricted funds	**303,381**	**1,781,832**	**(1,922,896)**	-	-	**162,317**
	3,205,662	**3,331,743**	**(3,143,298)**	**18,399**	**188,000**	**3,600,506**

Summary of funds - prior year

	Balance at 1 August 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31July 2023 £
Designated funds	56,335	-	-	-	-	56,335
General funds	2,436,706	1,502,102	(1,743,907)	8,045	643,000	2,845,946
Restricted funds	247,029	1,592,600	(1,528,203)	(8,045)	-	303,381
	2,740,070	3,094,702	(3,272,110)	-	643,000	3,205,662

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	3,111,039	-	**3,111,039**
Current assets	294,243	162,317	**456,560**
Creditors due within one year	(572,576)	-	**(572,576)**
Creditors due in more than one year	(23,517)	-	**(23,517)**
Provisions for liabilities and charges	629,000	-	**629,000**
Total	3,438,189	162,317	**3,600,506**

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	3,133,376	-	**3,133,376**
Current assets	(108,953)	303,381	**194,428**
Creditors due within one year	(533,123)	-	**(533,123)**
Creditors due in more than one year	(30,019)	-	**(30,019)**
Provisions for liabilities and charges	441,000	-	**441,000**
Total	2,902,281	303,381	**3,205,662**

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

	Group 2024 £	Group 2023 £
Net (expenditure)/ income for the year (as per statement of financial activities)	**202,844**	(177,408)
Adjustments for:		
Depreciation charges	**132,427**	117,657
(Profit)/Loss on the sale of fixed assets	**(6,090)**	-
Decrease in stocks	**6,672**	(33,025)
Decrease/(increase) in debtors	**(154,963)**	52,767
(Decrease)/ increase in creditors	**81,399**	103,151
Interest paid	**11,445**	9,297
Defined benefit pension adjustment	**4,000**	38,000
Net cash provided by operating activities	**277,734**	110,439

26. Analysis of cash and cash equivalents

	Group 2024	Group 2023
	£	£
Cash in hand	**211,757**	97,917
Total cash and cash equivalents	**211,757**	97,917

27. Analysis of changes in net debt

	At 1 August 2023	Cash flows	At 31 July 2024
	£	£	£
Cash at bank and in hand	**97,917**	**113,840**	**211,757**
Debt due within 1 year	**(72,438)**	**66,205**	**(6,233)**
Debt due after 1 year	**(6,233)**	**6,233**	**-**
Finance leases	**(43,809)**	**(23,989)**	**(67,798)**
	(24,564)	**162,289**	**137,726**

28. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge includes contributions payable by the company to the fund and amounted to £48,000 (2023: £59,514). Contributions totaling £7,031 (2023: £6,977) were payable to the fund at the balance sheet date and are included in creditors.

The group operates a defined benefit pension scheme.

National Horseracing College is a member of the South Yorkshire Pension scheme which is a multi-employer pension scheme providing benefits on final pensionable pay. The assets of the scheme are held separately from those of National Horseracing College. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with National Horseracing College. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

A full actuarial valuation was carried out as the 31 July 2024 specifically for the college by Hymans Robertson LLP.

The contributions made for the year ended 31 July 2024 were £48,000 (2023: £52,000).

At the balance sheet date there were outstanding contributions payable of £5,170 (2023: £4,522).

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	At 31 July 2024	At 31 July 2023
	%	%
Discount rate	**5.00**	5.05
Future salary increases	**3.35**	3.60
Future pension increases	**2.75**	3.00

	At 31 July 2024	At 31 July 2023
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	**20.5**	20.6
- at 65 for a male aged 45 now	**21.3**	21.4
- for a female aged 65 now	**23.6**	23.6
- at 65 for a female aged 45 now	**25.0**	25.0

28. Pension commitments (continued)

The group's share of the assets in the scheme was:

	At 31 July 2024 £	At 31 July 2023 £
Equities	**2,452,870**	2,348,070
Government bonds	**768,810**	748,660
Property	**366,100**	272,240
Cash and other liquid assets	**73,220**	34,030
Total fair value of assets	**3,661,000**	3,403,000

The actual return on scheme assets was £119,000 (2023 - £58,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2024 £	2023 £
Current service cost	**27,000**	32,000
Past service cost		
Interest income	**(171,000)**	(119,000)
Interest cost	**148,000**	125,000
Administrative expenses		
Total amount recognised in the Consolidated Statement of Financial Activities	**4,000**	38,000

28. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2024 £
Opening defined benefit obligation	**2,962,000**
Current service cost	**27,000**
Interest cost	**148,000**
Contributions by scheme participants	**8,000**
Actuarial (gains)/losses	**(25,000)**
Benefits paid	**(88,000)**
Closing defined benefit obligation	**3,032,000**

Movements in the fair value of the group's share of scheme assets were as follows:

	2024 £
Opening fair value of scheme assets	**3,403,000**
Expected return on assets	**171,000**
Actuarial gains/(losses)	**119,000**
Contributions by employer	**48,000**
Contributions by scheme participants	**8,000**
Benefits paid	**(88,000)**
Closing fair value of scheme assets	**3,661,000**

Amounts for the current and previous period for the defined benefit pension schemes are as follows:

	2024 £	2023 £
Defined benefit obligation	**(3,032,000)**	(2,962,000)
Scheme assets	**3,661,000**	3,403,000
Surplus/(Deficit)	**629,000**	441,000
Experience adjustments on scheme liabilities	**25,000**	707,000
Experience adjustment on scheme assets	**(119,000)**	(116,000)

29. Operating lease commitments

At 31 July 2024 the group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2024 £	Group 2023 £	**Company 2024** £	Company 2023 £
Not later than 1 year	**57,023**	69,274	**57,023**	69,274
Later than 1 year and not later than 5 years	**51,517**	2,650	**51,517**	2,650
	108,540	69,274	**108,540**	69,274

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 2024 £	Group 2023 £	**Company 2024** £	Company 2023 £
Operating lease rentals	**78,146**	86,885	**78,146**	86,885

30. Related party transactions

During the year purchases were made from NHC Trading Limited (a wholly owned trading subsidiary) totalling £6,898 (2023: £4,754). Management charges of £35,000 were made in the year to NHC Trading Limited (2023: £50,000). At the year-end £46,354, (2023: £17,601) was due from NHC Trading Limited.

31. Controlling party

The Trust is a charity limited by guarantee and is therefore ultimately controlled by the Trustees.

National Horseracing College Limited

England & Wales - Charity number 700405

Accounts

COMPANY REGISTRATION NUMBER: 02266267
CHARITY REGISTRATION NUMBER: 700405

National Horseracing College Limited

Company Limited by Guarantee

Trustees Report and Financial Statements

31 July 2023

SUTTON MCGRATH HARTLEY
Chartered accountants & statutory auditor
Queensgate House
23 North Park Road
Harrogate
North Yorkshire
HG1 5PD

National Horseracing College

Company Limited by Guarantee

Financial Statements

Year ended 31 July 2023

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National Horseracing College

Company Limited by Guarantee

Trustees' Annual Report

Year ended 31 July 2023

Reference and administrative details of the company, its Trustees and advisers

Registered charity name	National Horseracing College
Charity registration number	700405
Company registration number	02266267
Principal office and registered office	The Stables Rossington Hall Great North Road Doncaster South Yorkshire DN11 0HN
The trustees	Mr Gerard Sutcliffe, Chairman Mr Howard Wright, Deputy Chairman Mr Timothy Adams MBE (Resigned 19 May 2023) Mr Timothy Lyle Mr James Hetherton Mr Jeffrey Ennis The Honourable Oliver Greenall Ms Susannah Gill Ms Nicola Frampton Ms Sally Iggulden Dr Helen McCarthy Mr Francis Stephenson Mr Callum Helliwell
Vice Presidents	The Rt Hon Richard Caborn Ms Julie Krone
Patron	Countess of Halifax
Chief Executive Officer	Mr Stephen Padgett OBE
Independent Auditor	Sutton McGrath Hartley Chartered accountants & statutory auditor Queensgate House 23 North Park Road Harrogate North Yorkshire HG1 5PD
Bankers	Virgin Money 19 Sepulchre Gate, Doncaster, DN1 1TD
Solicitors	Jordans 4 Priory Place, Doncaster, DN1 1BP
Pension Administrators	South Yorkshire Pensions Authority Oakwell House, 2 Beevor Court, Pontefract Road, Barnsley, S71 1HG

The trustees present their report and the audited financial statements of the charitable group for the year ended 31 July 2023. The Annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charitable group.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

Overview

Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 July 2023.
Provision - The academic year covered by this report has been extremely successful. More recruits have started initial training and, as retention rates have remained very high, more have completed training and graduated. Meanwhile, the numbers of apprentices in training are as high as ever and Distinctions achieved at end point assessment are way ahead of National averages. The reputation of and, as a consequence, demand for the College's specialist training provision is better than ever it has been.
Finances – The success of perennial efforts to ensure operations are lean and efficient, meant recent inflation has hit hard. Costs were driven up while the NHC's four sources of revenue (DfE/ESFA, BHA, commercial, fundraising) did not keep pace. As a result, already modest reserves were depleted, and applications were made to the racing industry for increased payments to be made for what was delivered. Reassuringly, racing recognises how vital is the NHC's provision, not least in delivering everything it does at a huge discount to the industry, and Trustees are confident that will be reflected in ongoing financial arrangements.

The operating deficit for the year was £177,408 on total income of £3,094,701.

Objectives and activities

a. Policies and objectives

The objects of the charity are to advance education, particularly among young persons, and to relieve the need of unemployed persons by the provision of vocational and academic training connected with the horse racing, equestrian, agricultural, horticultural and their allied areas.

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. Strategies for achieving objectives

- Provide accessible and inclusive training opportunities for people wanting to work in the horse racing industry.
- Ensure training is realistic and relevant but delivered progressively to develop learners to be ready for work.

- Provide a supportive, encouraging environment around that training enabling as many learners as possible to achieve their goals.
- Engage widely and collaboratively with employers across the industry to maximise learners' chances of gaining and keeping paid employment.
- Promote constructive behaviours and positive attitudes in all that we do.
- Make the very best of resources available to optimise the College's contribution to public benefit.

c. Activities undertaken to achieve objectives

- Recruit widely and remove as many barriers as possible that could deter potential learners.
- Provide bursaries and other practical support to ensure those with limited resources can access training opportunities.
- Provide intensive residential Foundation Courses covering a comprehensive syllabus that prepares them for the jobs that are available.
- Deliver life skills training to increase learners' resilience, confidence and independence.
- Match learners with the most appropriate employment opportunities to optimise their chances of satisfaction and success.
- Provide ongoing support in the workplace to enable further learner development (apprenticeships) and aid worker retention.

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

The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aim and objectives and in planning our future activities. In particular, the trustees consider its investment into its chosen workstreams of Workforce and Community Investment contribute towards its objectives through providing a public benefit.

The National Horseracing College (NHC) is the only specialist training provider to the horse racing industry in the north of England and one of only two in the United Kingdom. The College offers a variety of training courses designed to meet industry needs. It has a reputation for delivering high quality staff, many of whom go on to have long careers in a wide variety of roles in racing.

Priorities

The highest single priority at the tactical level is around safeguarding and duty of care to learners on the College's training programmes, in the workplace and to staff.

At the strategic level, however, the priority has continued to be ensuring the viability of the business. Despite careful planning, control of outgoings and relentless pursuit of alternative income sources (commercial and fundraising activities), the College's modest reserves have dwindled due to fixed costs rising faster than payments under its two contracts. The NHC has no power to dictate what it is paid for what it delivers but is told what it will receive, both by ESFA and the racing industry. For years, the NHC has delivered its outputs to the racing industry at a 60% discount. By the early months of 2023, forecasts showed that this could not be sustained and a case was made, in conjunction with its sister school the BRS, which was digging deep into its reserves also, for additional resources to sustain operational activity into 2024 when a new Industry Strategy is due to develop a long-term plan for people training in racing.

CONTEXT

Overheads

The effects of war in Europe and other factors have driven up the costs of providing training. Some of the areas that have seen the most significant rise in costs affect directly the format of the practical and residential training demanded by racing e.g. food, fodder, accommodation and fuel.

Unsurprisingly, the biggest single element of the NHC's overhead is people, despite a very lean organisational structure. Although salaries paid have not kept pace with inflation, the overall cost of staff has risen as success in terms of more learners trained required more staff to deliver and functions such as catering have been brought in-house to increase efficiency.

It is well reported that there are few job vacancies in the UK and the competition for workers is high. Although various entities within racing contribute to marketing and recruiting (Careers In Racing, Racing to School), the NHC has to deploy additional resources and innovative, up-to-date methods and styles in marketing and recruiting to compete with other industries as it strives to meet racing's staffing needs.

Although the College was sensibly and comprehensively insured, the huge fire of July 2022 (caused entirely by a third party) had and continues to have significant consequences. Some of the costs have been recovered, some will be but only after extensive legal wrangling and some costs never are covered by any insurance policy e.g. time and effort spent dealing with the inconveniences of a disaster, administering claims, etc.

Efficiency

Many years of delivering training to a high standard with very limited resources, including having to self-generate (grants, fundraising, charity, trading) upwards of 20% of revenue, mean that the College's operations are lean and efficient. If savings are identified, they are taken. The opportunities to make further cuts are limited to non-existent without significantly affecting outputs in terms of numbers and standards.

Revenue

Government Funding - The NHC's ESFA contract has, for many years, accounted for around 40% of revenue and could be viewed as a valuable subsidy to industry training. A condition of funding is that the College is subject to inspections by OFSTED to ensure it meets rigorous standards, many of which are unrelated to the requirements of racing. The size and value of the contract are dictated by the ESFA without reference to the training needs of the industry, the capacity of the College or the costs of delivery. Most of the Government money supports only very young people (up to age 18), covers only partially the cost of the training delivered and has fallen in real terms on a per head basis.

Industry Contract - The NHC's contract with the BHA also accounts for around 40% of revenue. Its value is not based on the costs of delivery, is varied on a year-by-year basis without the opportunity for longer term planning and, almost always, is not signed off until several months into the contract period. The industry, as customer, dictates what it wants to buy and what price it is willing to pay.

Fundraising - In straitened times, the mismatch between the demands for and supply of donations/grants increases. Many causes are perceived to be more worthy of sympathy and support and to have more limited access to resources than racing schools, despite their extraordinary contributions to a variety of societal goods. In addition, grant-making bodies, within and external to racing, often are more willing to embrace and establish new initiatives and opportunities, assuming core business is or should be funded by routine revenue, but it is core funding that is needed, not new activities that add to overheads.

Commercial Opportunities - The NHC takes every opportunity to 'sweat its assets'. Trading that will generate income is pursued wherever possible, such as by letting facilities, farming land and encouraging sponsors. However, these are peripheral to core business, continue to be impacted by changes to working norms post covid, and can deliver only marginally significant income.

Staffing in the Horseracing Industry

The industry's staff shortfall is well known, if not easily quantified. The debate about the resilience and commitment of staff, conditions of employment and the culture on racing yards aside, the fact is that significant vacancies exist, now and for the foreseeable future. Employers need and want every trained person the NHC can provide.

While the College is mandated to deliver recruits from its FC trained to Level 1, employers really would like to receive Level 2 staff/riders. The vast majority of racehorse training businesses could not provide initial training in-house and whilst the long-term funding model for training may well include increases in direct funding from employers it is unrealistic to expect training business to be able to adjust to making a significant direct contribution in the short-term. In striving to meet employer needs and to enable the success of graduates, the NHC and its sister school the BRS make significant extra efforts to deliver people to work placement at a higher standard than their remit dictates. While that costs money, currently it is what has to happen to ensure young people entering the industry are hired and retained by employers.

The number of people who have experience of living in rural environments and of working with animals/horses is reducing while there are extensive opportunities for people to be paid to work in conditions that are not arduous. As a consequence, it is increasingly difficult to attract people into and retain them after they join the industry's workforce.

Societal influences and learner needs have and continue to change at pace. The pandemic and responses to it were accelerants. The day-to-day experience of training staff is that fewer learners have benefited from the opportunities, support and education required to gain basic levels of fitness, good communication skills and an appreciation of the requirements of paid work. A great deal more time, patience and skill is required from leaders, instructors and support staff to instil the attitudes, standards and work-rates that will enable learners' success in the industry's work force.

While operating within its overall capacity, increasing the College output reduces the cost per learner. The FC operates with intake cohorts arriving every 4 weeks. These are at capacity for a significant proportion of each year, usually from July to around Christmas. Significant infrastructure investment would be required to increase capacity in any meaningful way. Reaching full capacity year-round is made more difficult as the availability of potential learners coming out of the 'normal' education system is dictated by the timing of the academic year.

Activities and Achievements

Study Programme

In 2022/23, there were 124 learners overall on Education Programme for Young People (EPYP) courses, up from 100 the year before. The 97 on the Residential Foundation Course (FC) included 24 on Traineeships and 73 on Level 1 (L1) Diploma. There were 27 on the non-residential, day attendance Doncaster Equine College (DEC) Programme.

The FC is 12 weeks duration followed by a 6-week work placement planned with an employer. It welcomes intakes of up to 15 learners every 4 weeks, most being 16–18-year-olds living away from home for the first time. Usually, each intake also includes a number of 19+ learners who are not ESFA funded – in 2022/23 this was 30 learners.

Learners follow an intensive curriculum that includes social development skills covering employability, cooking, resilience, self-belief, time management skills and preparation for functional skills at different levels. Training prepares non-employed young people for the world of work but also to become independent, capable members of society. Parent or guardian feedback is very positive about the personal development and improved behaviour of their young people. The range of additional training provided includes: safeguarding; understanding consent; autism awareness; diversity and inclusion; concussion awareness; pay and employee rights in the workplace; alcohol, drug and gambling awareness; welfare and healthy nutrition.

Achievements and Performance

Qualifications on the FC include L1 Diploma in Racehorse Care and Riding, L1 Diploma in Work-Based Horse Care, Entry 3 Award in Basic Knowledge of the Horseracing Industry, L3 Award Short Journey in the Transportation of Horses, Functional Skills and Emergency 1st Aid. Achievement rates in the L1 Diploma improved on last year by 6% to 82% and Traineeships were down slightly at 78%. Overall, the Study Programme saw 136 achievers (105 FC achievers and 31 DEC achievers).

Functional Skills results were 85% for English and 91% for Maths with 99% of learners who completed the course achieving their main aim. Of those, 30% achieved a higher level than their initial aim. These are outstanding results considering the starting points of learners. The table below show proportions of FC learners declaring factors that can influence their progress:

Factor	2023	2022	2021
Received counselling or had a support worker	40%	42%	36%
Self-stated learning difficulty	37%	28%	
Self-stated mental health problem	36%	32%	26%
Did not complete school	20%	20%	
Education, Health & Care Plan (EHCP)	14%	5%	
Fostered/in care/adopted		1%	4%
Self-stated physical health problem		16%	
Self-stated disability	6%	4%	
From disadvantaged area	40%	43%	32%

Given that the FC is determinedly inclusive and non-selective, the retention rate for all age groups was impressive. At the end of the learning course, 95% of funded learners celebrated their success in a graduation ceremony. Of those who graduated from the FC, 89% (from 84% last year) went into work placement and of those 70% to an apprenticeship (from 53% last year). NHC has continued to drive up the numbers of learners moving into positive destinations**.**

a. Apprenticeships

The College's staff work hard to match learners to employers to determine the best placement for them. The frequency of support for learners on transition to apprenticeships has increased, with consequent improvement in progressions. Once on apprenticeships, learners are employed in line with a national wage scale sanctioned by the British Horseracing Authority (BHA), which exceeds Apprenticeship wage requirements. Learners are on apprenticeships for up to 18 months and move between employers where necessary and appropriate. Where learners express a justified desire to move, NHC works hard to find alternative racing yards, maintaining close contact to retain the learner in learning. The industry is renowned for its high turnover of staff and NHC works hard to keep apprentices on programme until completion. It has instigated more thorough tracking of its early leavers which suggests that 85% stay in the equine industry.

The curriculum offer comprised L2 and L3 apprenticeships in equine groom and senior equine groom including diplomas. Additional qualifications are offered to learners including emergency first aid, safeguarding, transporting horses by road on long journeys and L2 functional skills.

Achievement levels improved on previous years; 100% passed their end point assessment (EPA) and 50% achieved distinction compared to 30% last year.

b. Marketing and Recruiting

Additional resources put into this area over recent years continue to deliver results in terms of increasing expressions of interest, increasing engagement through social media and increasing applications to the FC and DEC Programmes.

c. Fundraising and Commercial Activities

Although these activities have not recovered to pre-pandemic levels, both the NHC's well-established charity race day events (Pontefract and Doncaster) made important contributions. In addition, applications to The Racing Foundation and to the Sir Peter O'Sullevan Charitable Trust had some success in obtaining grants which were received with gratitude.

d. Infrastructure and Equipment

The NHC continued to invest in these areas as part of its strategy to enhance the offer to learners and to attract commercial users. The increased capabilities and capacity of the NHC's own maintenance staff continued to allow improvements to be made to facilities at modest cost even when the effects of the pandemic limited the availability of tradesmen elsewhere.

Financial review

a. Going concern

The charity, for some years, has been unable to comply with its policy to hold free reserves of between 1- and 2-months operational expenditure.

Steps taken by central government, local authorities and the racing industry have already helped to support the College's own efforts to sustain its staff and learners through the pandemic period, but coupled with increasing cost pressures, uncertainties remain about the long-term funding of the industry pending the publication of a new people strategy. However, the business has taken decisive and effective measures to preserve cash flow and increase its resilience.

The trustees have prepared forecasts of income and expenditure and cash flow for the period to 31 December 2024 which show that they have sufficient cash to be able to continue for the foreseeable future. The trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

b. Reserves policy

The NHC was unable to keep two month's operating costs in reserve.

Net current liabilities at 31 July 2023 are £338,695 of which £303,381 are represented by restricted funds, leaving unrestricted net current liabilities of £35,314 (of which £56,335 are held as designated funds). Whilst this is below the minimum free reserves level of £210,000 it is clear that the College is moving in the right direction and expects to meet the target levels by the generation of surpluses in future years.

c. Financial performance

The operating loss for the year was £177,408 (2022: deficit of £77,439) with an actuarial gain for UK accounting purposes, which does not affect cash, of £643,000 (2022: £1,537,000) due to periodic revaluation of pension asset / liabilities, leading to a net surplus for the year of £465,592 (2022: £1,459,561).

The total funds carried forward at the year end are £3,205,662 (2022: £2,740,070) of which £2,902,281 (2022: £2,493,041) are unrestricted and £303,381 (2022: £247,029) are restricted.

d. Pension fund

The Accounting for Pensions regulations have had an impact on the net assets position of the Charity once again. The latest actuarial valuation of the Scheme resulted in a movement in the balance on the defined benefit pension scheme of £605,000 from £164,000 liability to £441,000 asset.

This is, of course, a statement of the theoretical pension asset of the Charity at the balance sheet date based upon current assumptions of future discount rates; future salary and pension increases and inflation. The asset only crystallises when members retire or in the event of the winding up of the scheme, which is highly unlikely given that it is the multi-employer South Yorkshire local Government Scheme. The scheme has been

closed to new NHC employees since before 2015.

e. Principal risks and uncertainties

While the NHC's leaders view the monitoring, assessment and mitigation of risks to be an ongoing process, risk management policies are subject to periodic review. Risks are categorised low, medium or high in terms of likelihood and seriousness. Modifying actions in response will transfer, treat, tolerate or terminate each risk. Every risk has a designated owner and a timeframe for actions to be taken.

The table below illustrates some of the risk areas with potentially most serious consequences:

Risk	Likelihood	Seriousness	Modifying Actions	Owner
Safeguarding failure – learner	MEDIUM	HIGH	TREAT Training, supervision.	Ops Dir (Safeguarding Lead)
Fixed costs exceeding ESFA & BHA contract payments	MEDIUM	HIGH	TREAT Demonstrate: Value of NHC's outputs. Efficiency of operation.	CEO
Major IT breach	MEDIUM	HIGH	TREAT Retain comprehensive IT specialist support, backup protocols, protective measures, training.	CEO
Reduction in Industry resources from Levy	MEDIUM	HIGH	TOLERATE Exert influence, demonstrate social value added.	CEO
Actual or Reputational damage due to vexatious complaints	MEDIUM	MEDIUM	TREAT Ensure policies & procedures are justified, current, followed and actions recorded.	CEO
Human disease preventing delivery/receipt of training	LOW	HIGH	TREAT Awareness, preparation, training, discipline.	CEO
Safeguarding failure – staff	LOW	HIGH	TREAT DBS checks, training, supervision.	CEO
Catastrophic fire/flood	LOW	HIGH	TREAT Dispersal of assets, backup protocols, protective measures, training, comprehensive and up-to-date insurance cover.	CEO
Loss of ESFA contract	LOW	HIGH	TREAT Maintain or enhance quality of provision (OFSTED 1 or 2) while fulfilling/over-performing against contract.	CEO
Loss of BHA contract	LOW	HIGH	TREAT Continue to subsidize cost to industry, fulfil/over-perform against BHA contract, respond to industry needs.	CEO
Equine disease preventing delivery of training	LOW	HIGH	TREAT Maintain situational awareness, contingency planning, training.	Training Manager

Structure and Governance

a. Constitution

National Horseracing College registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 19 February 1988 and is a registered charity number 700405.

b. Methods of appointment or election of Trustees

The management of the company and the group is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited through sector networks and approached to discuss taking on a trustee role.

c. Organisational structure and decision-making policies

The Board meets quarterly. Its business always includes a comprehensive update from the Chief Executive. Business decisions that have strategic significance are made at Board level.

There is a single standing sub-committee, the Finance Committee which is chaired by the Chairman of trustees. Attendees include the Chief Executive, the Finance Director, the Operations Director and the Support Services Manager. All major financial decisions are recommended to the Main Board where decision making occurs.

Task and Finish Groups are established for specific purposes e.g. Nominations Committee to identify a new Chairman or a selection panel to select a new Chief Executive.

All trustees, including the Chair, have fixed terms of office.

d. Policies adopted for the induction and training of Trustees

New trustees are provided with a comprehensive induction, led by the Chief Executive and involving other staff, to ensure they are provided with a comprehensive view of what the NHC does and how it does it.

All trustees are informed of trustee training opportunities organised by external bodies and encouraged to attend ones that will be valuable to them.

Informal visits by trustees are encouraged at any time to allow them to get to know the College well.

e. Pay policy for key management personnel

Trustees and senior leaders continue to recognise that the organisation's success is reliant on its team of dedicated staff. Although it was not possible to increase salaries, a modest loyalty bonus based purely on length of service was paid.

Plans for future periods

The continued success of the College is linked inextricably to the health and success of racing as a whole. Trustees appreciate greatly therefore, efforts being made by the BHA and others to develop an industry strategy that will inform important and much-needed decisions to shape the future for employees, participants, attendees and supporting or related activities. Trustees expect the College's leadership to engage with and contribute to the industry's planning for the future.

In the meantime, they are extremely proud of the performance of the College which, in terms of its delivery for racing and for its learners, has never achieved more than in the year covered by this report.

They believe that the company has adequate resources to continue as a going concern and they look forward to the future with justifiable optimism. (Further details regarding the adoption of the going concern basis can be found in the Note 1 – Accounting Policies.)

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 including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial . 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 auditor

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

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

Auditor

The auditor, Sutton McGrath Hartley, has indicated their willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

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

Mr Gerard Sutcliffe

Date: Mar 6, 2024

Opinion

We have audited the financial statements of National Horseracing College (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 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 July 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 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 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 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 Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the directors' report have 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 group and parent 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 and the Charities Act 2011 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's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 directors' report and from the requirement to prepare a strategic report.

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.

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, 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 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.

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 audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent 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, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

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

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

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Howard Matthews (Senior statutory auditor)
for and on behalf of
Sutton McGrath Hartley
Queensgate House
23 North Park Road
Harrogate
HG1 5PD
Date: 6 March 2024

National Horseracing College

Company Limited by Guarantee

Consolidated Statement of Financial Activities (Incorporating Income and Expenditure Account)

Year ended 31 July 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	4	**31,136**	**-**	**31,136**	41.500
Charitable activities	5	**1,225,548**	**1,607,100**	**2,832,648**	2,549,647
Other trading activities	6	**141,857**	**-**	**141,857**	125,271
Other income	7	**89,060**	**-**	**89,060**	-
Total income		**1,487,601**	**1,607,100**	**3,094,701**	2,716,418
Expenditure on:					
Raising funds:	8				
Voluntary income		**128,868**	**-**	**128,868**	128,631
Other trading		**78,436**	**-**	**78,436**	68,887
Charitable activities	9	**1,512,805**	**1,542,703**	**3,055,508**	2,580,470
Other expenditure	11	**9,297**	**-**	**9,297**	15,869
Total expenditure		**1,729,406**	**1.542,703**	**3,272,109**	2,793,857
Net (expenditure)/income		**(241,805)**	**64,397**	**(177,408)**	(77,439)
Transfers between funds	22	8,045	(8,045)	-	-
Net movement in funds before other recognised gains		**(233,760)**	**56,352**	**(177,408)**	(77,439)
Other recognised gains:					
Actuarial gains/(losses) on defined benefit pension schemes	28	**643,000**	**-**	**643,000**	1,537,000
Net movement in funds		**409,240**	**56,352**	**465,592**	1,459,561
Reconciliation of funds:					
Total funds brought forward		**2,493,041**	**247,029**	**2,740,070**	1,280.509
Net movement in funds		**409,240**	**56,352**	**465,592**	1,459,561
Total funds carried forward		**2,902,281**	**303,381**	**3,205,662**	2,740,070

The Consolidated Statement of Financial Activities complies with the requirements for an income and expenditure account under Companies Act 2006 and includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

National Horseracing College

Company Limited by Guarantee

Consolidated Statement of Financial Position

Year ended 31 July 2023

	Note		2023		2022
			£		£
Fixed assets					
Tangible assets	16		**3,133,376**		3,062,162
			3,133,376		3,062,162
Current assets					
Stocks	18	**52,260**		19,235	
Debtors	19	**44,251**		97,018	
Cash at bank and in hand		**97,917**		245,714	
		194,428		361,967	
Creditors: amounts falling due within one year	20	**(533,123)**		(422,529)	
Net current liabilities			**(338,695)**		(60,562)
Total assets less current liabilities			**2,794,681**		3,001,600
Creditors: amounts falling due after more than one year	21		**(30,019)**		(97,530)
Net assets excluding pension asset/(liability)			**2,764,662**		2,904,070
Defined benefit pension scheme asset/(liability)	28		**441,000**		(164,000)
Total net assets			**3,205,662**		2,740,070
Charity funds					
Restricted funds	22		**303,381**		247,029
Unrestricted funds					
Designated funds	22	**56,335**		56,335	
General funds	22	**2,404,946**		2,600,706	
Unrestricted funds excluding pension asset/(liability)	22	**2,461,281**		2,657,041	
Pension asset/(liability)	22	**441,000**		(164,000)	
Total unrestricted funds	22		**2,902,281**		2,493,041
Total funds			**3,205,662**		2,740,070

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:

Mr Gerard Sutcliffe
(Chair of Trustees)
Date: Mar 7, 2024

The notes on pages 24 to 55 form part of these financial statements.

National Horseracing College

Company Limited by Guarantee

Company Statement of Financial Position

Year ended 31 July 2023

	Note		2023		2022
			£		£
Fixed assets					
Tangible assets	16		**3,104,894**		3,030,470
Investments	17		**2**		2
			3,104,896		3,030,472
Current assets					
Stocks	18	**40,266**		9,539	
Debtors	19	**55,062**		192,782	
Cash at bank and in hand		**71,893**		132,367	
		167,221		334,688	
Creditors: amounts falling due within one year	20	**(515,956)**		(402,080)	
Net current liabilities			**(348,735)**		(67,392)
Total assets less current liabilities			**2,756,161**		2,963,080
Creditors: amounts falling due after more than one year	21		**(30,019)**		(97,530)
Net assets excluding pension asset/(liability)			**2,726,142**		2,865,550
Defined benefit pension scheme asset/(liability)	28		**441,000**		(164,000)
Total net assets			**3,167,142**		2,701,550

	Note		2023 £		2022 £
Charity funds					
Restricted funds	22		**303,381**		247,029
Unrestricted funds					
Designated funds	22	**56,335**		56,335	
General funds		**2,366,426**		2,562,186	
	22				
Unrestricted funds excluding pension asset/(liability)	22	**2,422,761**		2,618,521	
Pension asset / (liability)	22	**441,000**		(164,000)	
Total unrestricted funds	22		**2,863,761**		2,454,521
Total funds			**3,167,142**		2,701,550

The company has taken advantage of the exemption allowed under s408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The company's net movement in funds for the year was £465,592 (2022 - £1,459,561).

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:

Mr Gerard Sutcliffe
(Chair of Trustees)
Date: Mar 6 2024

The notes on pages 22 to 55 form part of these financial statements.

National Horseracing College

Company Limited by Guarantee

Consolidated Statement of Cash Flows

Year ended 31 July 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by operating activities	25	**110,439**	170,010
Cash flows from investing activities			
Purchase of tangible fixed assets		**(188,871)**	(303,472)
Proceeds from disposal of fixed assets		**-**	7,041
Net cash used in investing activities		**(188,871)**	(296,431)
Cash flows from financing activities			
Repayments of borrowing		**(60,068)**	(203,477)
Interest paid		**(9,297)**	(15,869)
Net cash used in financing activities		**(69,365)**	(219,346)
Change in cash and cash equivalents in the year		**(147,797)**	(345,767)
Cash and cash equivalents at the beginning of the year		**245,714**	591,481
Cash and cash equivalents at the end of the year	26	**97,917**	245,714

1. General information

The charity is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Its registered office is The Stables, Rossington Hall, Great North Road, Doncaster, South Yorkshire, DNII 0HN.

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 issued October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

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

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 Going concern

The charity, for some years, has been unable to comply with its policy to hold free reserves of between 1- and 2-months operational expenditure. Group surpluses in unrestricted funds in recent years had allowed the College to work towards adherence of the policy, however the onset of the global pandemic brought increased risk to the charity's finances.

Steps taken by central government, local authorities and the racing industry have already helped to support the College's own efforts to sustain its staff and learners through the pandemic period, but coupled with increasing cost pressures, uncertainties remain about the long-term funding of the industry pending the publication of a new people strategy. However, the business has taken decisive and effective measures to preserve cash flow and increase its resilience.

The Trustees have prepared forecasts of income and expenditure and cash flow for the period to 31 December 2024 which shows that they have sufficient cash to be able to continue for the foreseeable future.

2. Accounting policies (continued)

2.3 Going concern (continued)

The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

2.4 Income

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

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service. Included in other income is CJRS income which is recognised in the period for which the claim was made.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

2. Accounting policies (continued)

2.5 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

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

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value *over* their estimated useful lives .

Depreciation is provided on the following bases:

Visitor centre	- Variable between 2% - 33% on a reducing balance
Building refurbishment	- Variable between 1% - 20% on a reducing balance
Leasehold land & buildings	- Variable between 1% - 20% on a reducing balance
Stable block	- 1% reducing balance
Plant, equipment and motor vehicles	- Variable between 5% - 20% on a reducing balance
Gallop, menage and indoor riding school	- Variable between 1% - 10% on a reducing balance
Assets under construction	- Not depreciated
Computer equipment	- Variable between 20% - 33% on a reducing balance

2. 7 Investments

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

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2. Accounting policies (continued)

2.9 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.

2.10 Cash at bank and in hand

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

2.11 Liabilities

Liabilities and provisions 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.

2.12 Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2. Accounting policies (continued)

2.15 Pensions

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

The group operates a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

2.16 Fund accounting

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

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

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

2.17 Taxation

The company is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.18 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

3. **Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The present value of the South Yorkshire (SY) defined benefit pension liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net costs or income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the liability.

4. **Income from donations and legacies**

	Unrestricted funds 2023	**Total funds 2023**	Total funds 2022
	£	£	£
Donations			
Pontefract race day income and Leger Legends income	31,136	**31,136**	41,500
	31,136	**31,136**	41,500
Total 2022	41,500	41,500	

5. Income from charitable activities

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Operation of educational and training college	7,340	1,314,726	**1,322,066**	1,253,591
ESFA	1,191,840	-	**1,191,840**	993,508
Other activity related income	26,368	-	**26,368**	45,649
Grants (see detailed breakdown below)	-	292,374	**292,374**	256,899
	1,225,548	1,607,100	**2,832,648**	2,549,647
Total 2022	1,079,117	1,470,530	2,549,647	

Grants

	2023 £	2022 £
Regional training grant	**-**	41,399
BHA	**159,000**	159,000
NARS - refurbishment of recreation room	**18,894**	-
Peter O'Sullevan - furlong rails replacement	**19,980**	-
Racing welfare	**14,500**	14,500
Racing Foundation - racing simulator	**90,000**	-
RF Lunge Pen repayment	**(10,000)**	30,000
Total restricted grants	**292,374**	244,899
Regional training support	**-**	12,000
Total unrestricted grants	**-**	12,000
Total	**292,374**	256,899

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
NHC Trading Limited	141,857	**141,857**	125,271
Total 2022	125,271	125,271	

The charity has a wholly owned trading subsidiary, NHC Trading Limited (company number 03538751). The company was incorporated on 1 April 1998 and has issued share capital of two ordinary shares. The company gifts its taxable profits to National Horseracing College. Unaudited accounts are filed with Companies House.

7. Other incoming resources

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Insurance receipts	89,060	89,060	-

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2023 £	Restricted funds 2023 £	**Total funds 2023 £**	Total funds 2022 £
Fundraising and publicity	250		**250**	1,561
Voluntary income staff costs	128,618	-	**128,618**	127,070
	128,868	-	**128,868**	128,631
Total 2022	101,767	26,864	128,631	

Other trading expenses

	Unrestricted funds 2023 £	**Total funds 2023 £**	Total funds 2022 £
Cost of sales	65,451	**65,451**	57,628
Administration expenses	6,078	**6,078**	5,647
Depreciation	6,907	**6,907**	5,612
Total 2023	78,436	**78,436**	68,887
Total 2022	68,887	68,887	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	**Total 2023 £**	Total 2022 £
Operation of educational and training college	1,512,805	1,542,703	**3,055,508**	2,580,470
Total 2023	1,512,805	1,542,703	**3,055,508**	2,580,470
Total 2022	1,188,336	1,392,134	2,580,470	

10. Summary by expenditure category

	2023	2022
	£	£
Training costs	**259,593**	140,236
Accommodation	**311,593**	455,781
Stable yard	**203,389**	182,443
Staff costs	**1,253,864**	988,691
Pension finance costs	**38,000**	26,000
Depreciation	**110,750**	113,068
Total direct costs	**2,177,189**	1,906,219
Administration costs	**333,585**	272,555
Staff costs	**341,338**	223,760
Total management and administration	**674,923**	496,315
Support administration costs	**70,773**	59,829
Total support costs	**70,773**	59,829
Governance costs (see note 12)	**132,623**	118,107
Overall Total	**3,055,508**	2,580,470

11. Other expenditure

	Unrestricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£
Bank and other interest	9,297	**9,297**	15,869
Total 2022	15,869	15,869	

12. Governance costs

	Unrestricted funds 2023	Total funds 2023	Total funds 2022
	£	£	£
Auditor's remuneration	10,292	**10,292**	8,911
Trustees' expenses	1,043	**1,043**	520
Legal and professional	15,859	**15,859**	11,703
Salaries and related charges	105,429	**105,429**	96,973
Total 2023	132,623	**132,623**	118,107
Total 2022	118,107	118,107	

13. Net income/(expenditure)

This is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets owned by the group	**117,657**	118,680
Depreciation of tangible fixed assets held under finance leases	**5,226**	5,226
Auditor's remuneration- audit	**10,292**	8,911
Loss on disposal	**-**	6,261

14. Staff costs

	Group 2023 £	Group 2022 £	**Company 2023** £	Company 2022 £
Wages and salaries	**1,549,193**	1,271,317	**1,549,193**	1,271,317
Social security costs	**131,698**	112,116	**131,698**	112,116
Pension costs	**59,514**	52,061	**59,514**	52,061
Operating costs of defined benefit pension schemes	**26,604**	1,000	**26,604**	1,000
	1,767,009	1,436,494	**1,767,009**	1,436,494

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

	Group 2023 No.	Group 2022 No.
	59	51

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

	Group 2023 No.	Group 2022 No.
In the band £120,000 - £130,000	1	1

The total remuneration and benefits received by key management personnel including employer's NI and pension was £283,767 (2022: £346,977). The trustees consider senior management personnel to be the Chief Executive Officer, the Operations Director, the Support Services Manager, the Work Based Learning Manager, the Head of Instructors and the Fundraising Manager.

15. Trustees' remuneration and expenses

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

During the year ended 31 July 2023, expenses totalling £1,043 were reimbursed or paid directly to 4 Trustees (2022 - £520 to 3 Trustees). These expenses relate to the reimbursement of travel expenses incurred by the Trustees when attending National Horseracing College Trustee meetings and events

16. Tangible fixed assets

Group

	Visitor centre	Building refurbishment	Leasehold Land & Buildings	Stable Block	Gallop, Menage & Indoor Riding School	Plant, Equipment & Motor Vehicles	Computer equipment	Total
	£	£	£	£	£	£	£	£
Cost or valuation								
At 1 August 2022	**816,681**	**472,103**	**1,244,177**	**652,271**	**958,828**	**753,781**	**94,850**	**4,992,691**
Additions	-	**6,022**	-	**76,524**	**26,449**	**33,065**	**46,812**	**188,872**
At 31 July 2023	**816,681**	**478,125**	**1,244,177**	**728,795**	**985,277**	**786,846**	**141,662**	**5,181,563**
Depreciation								
At 1 August 2022	**245,362**	**262,932**	**318,490**	**177,021**	**494,728**	**362,352**	**69,644**	**1,930,529**
Charge for the year	**30,848**	**4,128**	**10,817**	**6,321**	**14,776**	**36,200**	**14,567**	**117,657**
At 31 July 2023	**276,210**	**267,060**	**329,307**	**183,342**	**509,504**	**398,552**	**84,211**	**2,048,185**

16. Tangible fixed assets

(continued)

Group (continued)

	Visitor centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Total £
Net book value								
At 31 July 2023	**540,471**	**211,065**	**914,870**	**545,453**	**475,773**	**388,294**	**57,450**	**3,133,376**
At 31 July 2022	571,319	209,171	925,687	475,250	464,100	391,429	25,206	3,062,162

16. Tangible fixed assets (continued)

Company

	Visitor centre	Building refurbishment	Leasehold Land & Buildings	Stable Block	Gallop, Menage & Indoor Riding School	Plant, Equipment & Motor Vehicles	Computer equipment	Total
	£	£	£	£	£	£	£	£
Cost or valuation								
At 1 August 2022	**816,681**	**472,103**	**1,240,036**	**652,271**	**958,828**	**632,446**	**94,850**	**4,867,215**
Additions	-	**6,022**	-	**76,524**	**26,449**	**29,367**	**46,812**	**185,174**
At 31 July 2023	**816,681**	**478,125**	**1,240,036**	**728,795**	**985,277**	**661,813**	**141,662**	**5,052,389**
Depreciation								
At 1 August 2022	**245,362**	**262,932**	**317,416**	**177,021**	**494,728**	**269,642**	**69,644**	**1,836,745**
Charge for the year	**30,848**	**4,128**	**10,734**	**6,321**	**14,776**	**29,376**	**14,567**	**110,750**
At 31 July 2023	**276,210**	**267,060**	**328,150**	**183,342**	**509,504**	**299,018**	**84,211**	**1,947,495**

16. Tangible fixed assets (continued)

Company (continued)

	Visitor centre	Building refurbishment	Leasehold Land & Buildings	Stable Block	Gallop, Menage & Indoor Riding School	Plant, Equipment & Motor Vehicles	Computer equipment	Total
	£	£	£	£	£	£	£	£
Net book value								
At 31 July 2023	**540,471**	**211,065**	**911,886**	**545,453**	**475,773**	**362,795**	**57,450**	**3,104,894**
At 31 July 2022	571,319	209,171	922,620	475,250	464,100	362,804	25,206	3,030,470

17. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2022	2
At 31 July 2023	**2**
Net book value	
At 31 July 2023	**2**
At 31 July 2022	2

National Horseracing College owns 100% of the ordinary share capital of its trading subsidiary, NHC Trading Limited, a company incorporated in England and Wales.

17. Fixed asset investments

(continued) Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	Company number	Registered office or principal Place of business	Class share	Holding
NHC Trading Limited	03538751	The Stables, Rossington Hall, Great North Road, Doncaster, DH11 0HN	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
NHC Trading Limited	**141,857**	**(128,436)**	**-**	**38,520**

18. Stocks

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Finished goods	**52,260**	19,235	**40,266**	9,539

19. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	**42,239**	49,197	**35,450**	46,872
Amounts owed by group undertakings	**-**	-	**17,601**	98,089
Other debtors	**2,012**	24,444	**2,012**	24,444
Prepayments and accrued income	**-**	23,377	**-**	23,377
	44,251	97,018	**55,062**	192,782

20. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Bank loans	**72,438**	68,292	**72,438**	68,292
Trade creditors	**130,004**	160,354	**119,160**	150,041
Other taxation and social security	**49,957**	50,177	**44,634**	46,041
Net obligations under finance lease and hire purchase contracts	**20,023**	16,726	**20,023**	16,726
Other creditors	**260,701**	126,980	**259,701**	120,980
	533,123	422,529	**515,956**	402,080

21. Creditors: Amounts falling due after more than one year

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Bank loans	**6,233**	78,671	**6,233**	78,671
Net obligations under finance lease and hire purchase contracts	**23,786**	18,859	**23,786**	18,859
	30,019	97,530	**30,019**	97,530

Bank loans and overdrafts are secured by way of a first legal charge over the assets and undertakings of the charity, including the Residential Centre, Rossington Hall, Great North Road, Doncaster.

Bank loans are repaid monthly over the term of the loan. Interest is payable at a fixed rate of 5.955%. Interest on any bank overdrafts is payable at 5.55% above base rate.

22. Statement of funds

Statement of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31July 2023 £
Unrestricted funds						
Designated funds						
College improvements	56,335	-	-	-	-	56,335
General funds						
General funds Reserves held in subsidiary Pension fund	2,562,186	1,345,744	(1,562,970)	21,466	-	2,366,426
	38,520	141,857	(128,436)	(13,421)	-	38,520
	(164,000)	-	(38,000)	-	643,000	441,000
	2,436,706	1,487,601	(1,729,406)	8,045	643,000	2,845,946
Total Unrestricted Funds	2,493,041	1,487,601	(1,729,406)	8,045	643,000	2,902,281
Restricted funds						
Horseracing grant scheme	46,841	-	-	-	-	46,841
Regional training grant	135,831	159,000	(106,416)	-	-	188,415
Horsebox grant	8,187	-	-	-	-	8,187
Peter O'Sullevan Trust	48,125	(10,000)	-	-	-	38,125
Racing Foundation – Lunge Pen	8,045	-	-	-	(8,045)	-
Racing welfare	-	14,500	(14,500)	-	-	-
NARS Rec room refurbishment	-	18,894	(6,280)	-	-	12,614
POS Furlong replacement	-	19,980	(10,781)	-	-	9,199
RF New simulator vehicle	-	90,000	(90,000)	-	-	-
BHA & HBLB programmes	-	1,314,726	(1,314,726)	-	-	-

Total restricted Funds	247,029	1,607,100	(1,542,703)	(8,045)	-	303,381
Total Funds	2,740,070	3,094,702	(3,272,110)	-	643,000	3,205,662

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31July 2022 £
Unrestricted funds						
Designated funds						
College improvements	56,335	-	-	-	-	56,335
General funds						
General funds Reserves held in subsidiary Pension fund	2,614,111	1,120,617	(1,228,972)	56,430	-	2,562,186
	37,300	125,271	(118,887)	(5,164)	-	38,520
	(1,674,000)	-	(27,000)	-	1,537,000	(164,000)
	977,411	1,245,888	(1,374,859)	51,266	1,537,000	2,436,706
Total Unrestricted Funds	1,033,746	1,245,888	(1,374,859)	51,266	1,537,000	2,493,041
Restricted funds						
Horseracing grant scheme	58,000	-	(3,904)	(7,255)	-	46,841
Regional training grant	78,681	200,399	(143,249)	-	-	135,831
Horsebox grant	25,000	-	(2,802)	(14,011)	-	8,187
Peter O'Sullevan Trust	48,125	-	-	-	-	48,125
Racing Foundation - Lunge Pen	8,045	-	-	-	-	8,045
Big Lottery funding	28,912	-	(28,912)	-	-	-
Peter O'Sullevan – simulator	-	30,000	-	(30,000)	-	-
BHA & HBLB programmes	-	1,240,131	(1,240,131)	-	-	-

22. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31July 2022 £
Total restricted Funds	246,763	1,470,530	(1,418,998)	(51,266)	-	247,029
Total Funds	1,280,509	2,716,418	(2,793,857)	-	1,537,000	2,740,070

Restricted Funds

The funds of the charity include restricted funds comprising the following unexpended balances of grants and donations held on trust to be applied for specific purposes:

The Horseracing grant scheme represents a contribution from the British Horseracing Authority towards the costs of improving the capacity of residential accommodation.

The regional training grant represents grants received from the Racing Foundation under its 'People Development' initiative to provide Rider coaching sessions, simulator training and theoretical coaching for the racing Community.

Horsebox grant - to fund a new horsebox.

Big Lottery - Youth engagement support - grant to provide additional support to disadvantaged learners.

The lunge pen grant are two grants, one from The Peter O'Sullivan Trust and one from The Racing Foundation to create a new lunge pen for the horses, included in the building of the lunge pen is a new racehorse simulator.

The BHA & HBLB programmes fund is money received from the British Horseracing Association in order for the college to deliver it's courses and help with the day to day running of the facility.

Peter O'Sullivan simulator is a grant from the POS Charitable Trust to assist the Charity to purchase a new Racing Simulator which is a significant upgrade to its existing provision.

IT Grant is a Grant from BHA to help NHC to finance a major upgrade to its IT infrastructure. The new facilities improve both provision to Learners and to the administration of the Charity.

23. Summary of funds

Summary of funds - current year

	Balance at 1 August 2022	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31 July 2023
	£	£	£	£	£	£
Designated funds	**56,335**	-	-	**-**	**-**	**56,335**
General funds	**2,436,706**	**1,502,102**	**(1,743,907)**	**8,045**	**643,000**	**2845,946**
Restricted funds	**247,029**	**1,592,600**	**(1,528,203)**	**(8,045)**	**-**	**303,381**
	2,740,070	**3,094,702**	**(3,272,110)**	**-**	**643,000**	**3,205,662**

Summary of funds - prior year

	Balance at 1 August 2021	Income	Expenditure	Transfers in/out	Gains/ (Losses)	Balance at 31July 2022
	£	£	£	£	£	£
Designated funds	56,335	-	-	-	-	56,335
General funds	977,411	1,245,888	(1,374,859)	51,266	1,537,000	2,436,706
Restricted funds	246,763	1,470,530	(1,418,998)	(51,266)	-	247,029
	1,280,509	2,716,418	(2,793,857)	-	1,537,000	2,740,070

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023	Restricted funds 2023	Total funds 2023
	£	£	£
Tangible fixed assets	3,133,376	-	**3,133,376**
Current assets	(108,953)	303,381	**194,428**
Creditors due within one year	(533,123)	-	**(533,123)**
Creditors due in more than one year	(30,019)	-	**(30,019)**
Provisions for liabilities and charges	441,000	-	**441,000**
Total	2,902,281	303,381	**3,205,662**

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	3,062,162	-	**3,062,162**
Current assets	114,938	247,029	**361,967**
Creditors due within one year	(422,529)	-	**(422,529)**
Creditors due in more than one year	(97,530)	-	**(97,530)**
Provisions for liabilities and charges	(164,000)	-	**(164,000)**
Total	2,493,041	247,029	**2,740,070**

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

	Group 2023 £	Group 2022 £
Net (expenditure)/ income for the year (as per statement of financial activities)	**(177,408)**	(77,439)
Adjustments for:		
Depreciation charges	**117,657**	118,680
Loss on the sale of fixed assets	**-**	9,958
Decrease in stocks	**(33,025)**	12,257
Decrease/(increase) in debtors	**52,767**	79,798
(Decrease)/ increase in creditors	**103,151**	(16,113)
Interest paid	**9,297**	15,869
Defined benefit pension adjustment	**38,000**	27,000
Net cash provided by operating activities	**110,439**	170,010

26. Analysis of cash and cash equivalents

	Group 2023	Group 2022
	£	£
Cash in hand	**97,917**	245,714
Total cash and cash equivalents	**97,917**	245,714

27. Analysis of changes in net debt

	At 1 August 2022	Cash flows	At 31 July 2023
	£	£	£
Cash at bank and in hand	**245,714**	**(147,797)**	**97,917**
Debt due within 1 year	**(68,292)**	**(4,146)**	**(72,438)**
Debt due after 1 year	**(78,671)**	**72,438**	**(6,233)**
Finance leases	**(35,585)**	**(8,224)**	**(43,809)**
	63,166	**(87,729)**	**(24,563)**

28. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge includes contributions payable by the company to the fund and amounted to £59,514 (2022: £52,061). Contributions totalling £6,977 (2022: £6,047) were payable to the fund at the balance sheet date and are included in creditors.

The group operates a defined benefit pension scheme.

National Horseracing College is a member of the South Yorkshire Pension scheme which is a multi-employer pension scheme providing benefits on final pensionable pay. The assets of the scheme are held separately from those of National Horseracing College. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with National Horseracing College. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

A full actuarial valuation was carried out as the 31 July 2023 specifically for the college by Hymans Robertson LLP.

The contributions made for the year ended 31 July 2023 were £52,000 (2022: £53,000).

At the balance sheet date there were outstanding contributions payable of £4,522(2022:

£5,001). Principal actuarial assumptions at the balance sheet date (expressed as weighted

averages):

	At 31 July 2023	At 31 July 2022
	%	%
Discount rate	**5.05**	3.50
Future salary increases	**3.60**	3.75
Future pension increases	**3.00**	2.75

	At 31 July 2023	At 31 July 2022
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	**20.6**	22.6
- at 65 for a male aged 45 now	**21.4**	24.1
- for a female aged 65 now	**23.6**	25.4
- at 65 for a female aged 45 now	**25.0**	27.3

28. Pension commitments (continued)

The group's share of the assets in the scheme was:

	At 31 July 2023 £	At 31 July 2022 £
Equities	**2,348,070**	2,322,880
Government bonds	**748,660**	751,520
Property	**272,240**	307,440
Cash and other liquid assets	**34,030**	34,160
Total fair value of assets	**3,403,000**	3,416,000

The actual return on scheme assets was negative £58,000 (2022 - £143,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2023 £	2022 £
Current service cost	**32,000**	54,000
Past service cost		
Interest income	**(119,000)**	(53,000)
Interest cost	**125,000**	79,000
Administrative expenses		
Total amount recognised in the Consolidated Statement of Financial Activities	**38,000**	80,000

28. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2023
	£
Opening defined benefit obligation	**3,580,000**
Current service cost	**32,000**
Interest cost	**125,000**
Contributions by scheme participants	**9,000**
Actuarial (gains)/losses	**(707,000)**
Benefits paid	**(77,000)**
Closing defined benefit obligation	**2,962,000**

Movements in the fair value of the group's share of scheme assets were as follows:

	2023
	£
Opening fair value of scheme assets	**3,416,000**
Expected return on assets	**119,000**
Actuarial gains/(losses)	**(116,000)**
Contributions by employer	**52,000**
Contributions by scheme participants	**9,000**
Benefits paid	**(77,000)**
Closing fair value of scheme assets	**3,403,000**

Amounts for the current and previous period for the defined benefit pension schemes are as follows:

	2023	2022
	£	£
Defined benefit obligation	**(2,962,000)**	(3,580,000)
Scheme assets	**3,403,000**	3,416,000
Surplus/(Deficit)	**441,000**	(164,000)
Experience adjustments on scheme liabilities	**707,000**	1,450,000
Experience adjustment on scheme assets	**(116,000)**	87,000

29. Operating lease commitments

At 31 July 2023 the group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £	**Company 2023** £	Company 2022 £
Not later than 1 year	**69,274**	2,547	**69,274**	2,547
Later than 1 year and not later than 5 years	**2,650**	238	**2,650**	238
	69,274	2,785	**69,274**	2,785

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 2023 £	Group 2022 £	**Company 2023** £	Company 2022 £
Operating lease rentals	**86,885**	5,258	**86,885**	5,258

30. Related party transactions

During the year purchases were made from NHC Trading Limited (a wholly owned trading subsidiary) totalling £4,754 (2022: £7,120). Management charges of £50,000 were made in the year to NHC Trading Limited (2022: £50,000). At the year-end £17,601 (2022: £98,089) was due from NHC Trading Limited.

31. Controlling party

The Trust is a charity limited by guarantee and is therefore ultimately controlled by the Trustees.

National Horseracing College Limited

England & Wales - Charity number 700405

Accounts

Registered number: 02266267
Charity number: 700405

NATIONAL HORSERACING COLLEGE

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

NATIONAL HORSERACING COLLEGE

(A company limited by guarantee)

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NATIONAL HORSERACING COLLEGE

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS

FOR THE YEAR ENDED 31 JULY 2022

Trustees

Mr Gerard Sutcliffe, Chairman
Mr Howard Wright, Deputy Chairman
Mr Timothy Adams MBE
Mr Timothy Lyle
Mr James Hetherton
Mr Jeffrey Ennis
The Honourable Oliver Greenall
Ms Susannah Gill
Ms Nicola Frampton
Ms Sally Iggulden
Dr Helen McCarthy
Mr Callum Helliwell (appointed 8 December 2021)
Mr Francis Stephenson (appointed 8 June 2022)
Mr N Brewster (resigned 18 November 2021)

Vice Presidents

Sir Robert Ogden CBE LLD (deceased 8 March 2022)
Monsieur Didier Garnier
Mr Roy Thwaites
The Rt Hon Richard Caborn
Ms Julie Krone

Company registered number

02266267

Charity registered number

700405

Registered office

The Stables, Rossington Hall, Great North Road, Doncaster, South Yorkshire, DN11 0HN

Patron

Countess of Halifax

Chief executive officer

Mr Stephen Padgett OBE

Independent auditor

BHP LLP, 2 Rutland Park, Sheffield, S10 2PD

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

Bankers

Yorkshire Bank, 19 St Sepulchre Gate, Doncaster, DN1 1TD

Solicitors

Jordans, 4 Priory Place, Doncaster, DN1 1BP

Pension Administrators

South Yorkshire Pensions Authority, P O Box 37, Regent Street, Barnsley, S70 2PQ

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2022

The trustees present their report and the audited financial statements of the charitable group for the year ended 31 July 2022. The Annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charitable group.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

Overview

While the consequences of the coronavirus pandemic will continue to be felt for years to come, this report is written in the confident expectation that the robust, timely and effective actions of the NHC's leaders not only have protected the College from what could have been an existential threat but have positioned it to continue to succeed. In addition, Trustees wish to re-state their appreciation of the very supportive positions adopted by partners in the industry and the flexibility and resilience of the College's staff.

The operating deficit in the year was £77,439 on total income of £2,709,192.

Objectives and activities

a. Policies and objectives

The objects of the charity are to advance education, particularly among young persons, and to relieve the need of unemployed persons by the provision of vocational and academic training connected with the horse racing, equestrian, agricultural, horticultural and their allied areas.

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. Strategies for achieving objectives

- Provide accessible and inclusive training opportunities for people wanting to work in the horse racing industry.
- Ensure training is realistic and relevant but delivered progressively to develop learners to be ready for work.
- Provide a supportive, encouraging environment around that training enabling as many learners as possible to achieve their goals.
- Engage widely and collaboratively with employers across the industry to maximise learners' chances of gaining and keeping paid employment.
- Promote constructive behaviours and positive attitudes in all that we do.
- Make the very best of resources available to optimise the College's contribution to public benefit.

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

- Recruit widely and remove as many barriers as possible that could deter potential learners.
- Provide bursaries and other practical support to ensure those with limited resources can access training opportunities.
- Provide intensive residential Foundation Courses covering a comprehensive syllabus that prepares them for the jobs that are available.
- Deliver life skills training to increase learners' resilience, confidence and independence.
- Match learners with the most appropriate employment opportunities to optimise their chances of satisfaction and success.
- Provide ongoing support in the workplace to enable further learner development (apprenticeships) and aid worker retention.

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

The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aim and objectives and in planning our future activities. In particular, the trustees consider its investment into its chosen workstreams of Workforce and Community Investment contribute towards its objectives through providing a public benefit.

The National Horseracing College (NHC) is the only specialist training provider to the horse racing industry in the north of England and one of only two in the United Kingdom. The College offers a variety of training courses designed to meet industry needs. It has a reputation for delivering high quality staff, many of whom go on to have long careers in a wide variety of roles in racing.

Achievements and Performance

a. Study Programme

This year, there were 100 learners overall on Study Programme courses – these included 19 Traineeships, 53 on the L1 Residential Foundation Course (FC) and 28 on the non-residential, day attendance Doncaster Equine College (DEC) Programme. The residential programme is 12 weeks duration followed by a 6-week work placement planned with an employer. While most learners are 16-18 year olds living away from home for the first time, each intake usually includes a small number of 19+ learners.

Qualifications on the FC include Level 1 (L1) Diploma in Racehorse Care and Riding, L1 Diploma in Work-Based Horse Care, Entry 3 Award in Basic Knowledge of the Horseracing Industry, L3 Award Short journey in the transportation of Horses and Functional skills. Achievement rates in the L1 Diploma were over 76% and in Traineeships were 84%. Overall, the Study Programme saw 145 achievers, up from 108 last year and 129 in 2019/20.

This has been a particularly challenging year due to COVID-19. Residential FC students were required to stay on site without access to visitors, sometimes for the whole course, and this caused emotional distress for some students. Despite other difficulties, the College's approach this year led to the retention rate for all age groups on the FC reaching an extraordinarily impressive 90%, only two of the last 11 years were better.

Achievements and Performance (continued)

(continued)

Functional English results overall have returned to a level more in line with normality at 71% compared to last year's extraordinary rate of 90% while mathematics continue to be high at 82% overall. Functional skills results still are extraordinarily good considering the starting points of learners.

There is a clear correlation that the starting points of learners impacts on their retention and achievement rates. The table below show proportions of FC learners declaring factors that can influence their progress:

Factor	This Year	Last Year
Received counselling or had a support worker	42%	36%
Self-stated learning difficulty	28%	
Self-stated mental health problem	32%	26%
Did not complete school,	20%	
Education, Health & Care Plan (EHCP),	5%	
Fostered/in care/adopted	1%	4%
Self-stated physical health problem	16%	
Self-stated disability	4%	
From disadvantaged area	43%	32%

While the proportion of learners starting with these challenges has increased, almost across the board compared to last year, The NHC's dedicated staff continue to drive up achievements and progressions to very positive effect. For example, it is outstanding also that learners with learning difficulties or disabilities (LLDD) are more successful (80.8%) compare to those without LLDD (78.9%).

The NHC prepares non-employed young people for the world of work. Learners follow an intensive curriculum that includes social development skills covering employability, cooking, resilience, self-belief, time management skills and preparation for functional skills at different levels. There is a range of other additional accreditation opportunities such as safeguarding, emergency first aid, Racing2Learn modules e.g. health and wellbeing, LGBT+ awareness. There are also sessions delivered by external speakers from NARS, Racing Welfare, Galahad (drug awareness) and a nutrition expert.

Parent or guardian feedback is very positive about the personal development and improved behaviour of their children. Of those who graduated from the residential FC 84% went into work placement (and then apprenticeship 53%) and 60% of those who graduated were deemed to go to a positive destination.

Achievements and Performance (continued)

(continued)

b. Apprenticeships

The College's staff work hard to match learners to employers to determine the best placement for them. The frequency of support for learners on transition to apprenticeships has increased, with consequent improvement in progressions. Once on apprenticeships, learners are employed in line with a national wage scale sanctioned by the British Horseracing Authority (BHA), which exceeds Apprenticeship wage requirements. Learners are on apprenticeships for up to 18 months and move between employers where necessary and appropriate. Where learners express a justified desire to move, NHC works hard to find alternative racing yards, maintaining close contact to retain the learner in learning. The industry is renowned for its high turnover of staff and NHC works hard to keep apprentices on programme until completion. It has instigated more thorough tracking of its early leavers which suggests that 85% stay in the equine industry.

The curriculum offer comprised L2 and L3 apprenticeships in equine groom and senior equine groom including diplomas. Additional qualifications are offered to learners including emergency first aid, safeguarding, transporting horses by road on long journeys and L2 functional skills.

Achievement levels improved on previous years; 100% passed their end point assessment (EPA) and 50% achieved distinction compared to 30% last year.

c. Priorities, Activities and Achievements

The highest single priority is around safeguarding and our duty of care to learners on residential courses, learners in the workplace and to staff. The efforts that had been made to develop and adopt effective COVID safety protocols specific to the situation at the NHC proved more successful than anyone could have hoped. A very high priority also continued to be ensuring the viability of the business. Careful planning, control of outgoings, scheduling of works and optimal use of Government schemes combine to sustain the College in a good position. Flexible working practices, adopted initially to reduce the risks of COVID transmission, continue to be utilised where productivity can be maintained or enhanced and benefits can accrue in quality of life terms.

d. Marketing and Recruiting

Additional resources put into this area over recent years are increasing expressions of interest, increasing engagement through social media and increasing applications to the FC. These efforts continue apace as the racing industry continues to bear the consequences of staff shortfalls.

e. Fundraising and Commercial Activities

Although these activities have not recovered to pre-pandemic levels, both the NHC's well-established charity race day events (Pontefract and Doncaster) made important contributions.

The charity has not carried out any significant fundraising activities.

Achievements and Performance (continued)

(continued)

f. Infrastructure and Equipment

The NHC continued to invest in these areas as part of its strategy to enhance the offer to learners and the attraction of commercial users. The increased capabilities and capacity of the NHC's own maintenance staff continued to allow improvements to be made to facilities at modest cost even when the effects of the pandemic limited the availability of tradesmen elsewhere.

The sale of the land the College holds on a 99 year lease (to 2095), which is approximately half of the area occupied by the College but upon which the majority of its built infrastructure is sited, has had little impact on the operations or ambitions of the NHC. Trustees are entirely confident in the security of the College's lease and do not foresee the transfer of ownership posing any meaningful threat to the enterprise but continue to hope it might present opportunities in the future.

Financial review

a. Going concern

The charity, for some years, has been unable to comply with its policy to hold free reserves of between 1 and 2 months operational expenditure. Group surpluses in unrestricted funds in recent years had allowed the College to work towards adherence of the policy, however the onset of the global pandemic brought increased risk to the charity's finances.

The NHC has been fortunate to be supported by continued regular contract payments from the racing industry and some additional support recognising the significant impact that will result over the coming year to two years due to cohorts of learners which could not enter the training pipeline.

Steps taken by central government, local authorities and the racing industry already have helped to support the College's own efforts to sustain its staff and learners through this period of global adversity. Uncertainties around the pandemic still remain, but the business has taken decisive and effective measures to preserve cash flow and increase its resilience.

The trustees have prepared forecasts of income and expenditure and cash flow for the period to 31 March 2024 which shows that they have sufficient cash to be able to continue for the foreseeable future. The trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

b. Reserves policy

The NHC has been fortunate to be supported by continued regular contract payments from the racing industry and maintains its contract with the ESFA. Management decisions preserve liquidity in the business. For many years the College was unable to fulfil its ambition to hold free reserves of between one and two months of the resources expended. However, small surpluses in unrestricted funds in recent years and particularly careful husbandry of resources have put the NHC in a relatively good position in this respect.

Net current liabilities at 31 July 2022 are £60,562 of which £247,029 are represented by restricted funds, leaving unrestricted net current liabilities of £307,591 (of which £56,335 are held as designated funds). Whilst this is below the minimum free reserves level of £210,000 it is clear that the College is moving in the right direction and expects to meet the target levels by the generation of surpluses in future years.

c. Financial performance

The operating loss for the year was £77,439 (2021: surplus of £209,252) with an actuarial gain for UK accounting purposes, which does not affect cash, of £1,537,000 (2021: £243,000) due to periodic revaluation of pension liabilities, leading to a net surplus for the year of £1,459,561 (2021: £452,252).

The total funds carried forward at the year end are £2,740,070 (2021: £1,280,509) of which £2,493,041 (2021: £1,033,746) are unrestricted and £247,029 (2021: £246,763) are restricted.

d. Pension liability

The Accounting for Pensions regulations have had an impact on the net assets position of the Charity once again. The latest actuarial valuation of the Scheme resulted in a decrease in the liability on the defined benefit pension scheme of £1,510,000 from £1,674,000 million to £164,000.

This liability is, of course, a statement of the theoretical pension liability of the Charity at the balance sheet date based upon current assumptions of future discount rates; future salary and pension increases and inflation. The liability only crystallises when members retire or in the event of the winding up of the scheme, which is highly unlikely given that it is the multi-employer South Yorkshire local Government Scheme. The scheme has been closed to new NHC employees since before 2015.

e. Principal risks and uncertainties

While the NHC's leaders view the monitoring, assessment and mitigation of risks to be an ongoing process, risk management policies are subject to periodic review. Risks are categorised low, medium or high in terms of likelihood and seriousness. Modifying actions in response will transfer, treat, tolerate or terminate each risk. Every risk has a designated owner and a timeframe for actions to be taken.

The table below illustrates some of the risk areas with potentially most serious consequences:

Risk	Likelihood	Seriousness	Modifying Actions	Owner
Safeguarding failure - staff	LOW	HIGH	TREAT DBS checks, training, supervision.	CEO
Safeguarding failure - learner	MEDIUM	HIGH	TREAT Training, supervision.	Operations Director (Safeguarding Lead)
Major IT breach	MEDIUM	HIGH	TREAT Retain comprehensive IT specialist support, backup protocols, protective measures, training.	CEO
Human disease preventing delivery/receipt of training	MEDIUM	HIGH	TREAT Awareness, preparation, training, discipline	CEO
Termination of property leases	LOW	HIGH	TREAT Pay rent on time, assist Landlord's agent in managing the property & estate	CEO
Catastrophic fire/flood	LOW	HIGH	TREAT Dispersal of assets, backup protocols, protective measures, training, comprehensive and up-to-date insurance cover.	CEO
Loss of ESFA contract	LOW	HIGH	TREAT Maintain or enhance quality of provision (OFSTED 1 or 2) while fulfilling/over-performing against contract.	CEO
Loss of BHA contract	LOW	HIGH	TREAT Retain ESFA revenue to subsidize cost to industry, fulfil/over-perform against BHA contract, respond to industry needs.	CEO
Equine disease preventing delivery of training	LOW	HIGH	TREAT Maintain situational awareness, contingency planning, training.	Training Manager

Structure and Governance

a. Constitution

National Horseracing College registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 19 February 1988 and is a registered charity number 700405.

b. Methods of appointment or election of Trustees

The management of the company and the group is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited through sector networks and approached to discuss taking on a trustee role.

c. Organisational structure and decision-making policies

The Board meets quarterly. Its business always includes a comprehensive update from the Chief Executive. Business decisions that have strategic significance are made at Board level.

Structure and Governance (continued)

There is a single standing sub-committee, the Finance Committee which is chaired by a trustee who is a very experienced accountant and business person. Attendees include the Board Chairman, the Chief Executive, the Finance Director, the Operations Director and the Support Services Manager. All major financial decisions are recommended to the Main Board where decision making occurs.

Task and Finish Groups are established for specific purposes e.g. Nominations Committee to identify a new Chairman or a selection panel to select a new Chief Executive.

All trustees, including the Chair, have fixed terms of office.

d. Policies adopted for the induction and training of Trustees

New trustees are provided with a comprehensive induction, led by the Chief Executive and involving other staff, to ensure they are provided with a comprehensive view of what the NHC does and how it does it.

All trustees are informed of trustee training opportunities organised by external bodies and encouraged to attend ones that will be valuable to them.

Informal visits by trustees are encouraged at any time to allow them to get to know the College well.

e. Pay policy for key management personnel

Trustees and senior leaders continue to recognise that the organisation's success is reliant on its team of dedicated staff. Salaries were increased in line with the prevailing rate of inflation and a modest loyalty bonus was paid. This bonus was based on length of service and unrelated to rates of pay. On principle, the CEO chooses not to accept any bonus.

Plans for future periods

The continued success of the College is linked inextricably to the health and success of racing as a whole. Trustees appreciate greatly therefore, efforts being made by the BHA and others to develop an industry strategy that will inform important and much-needed decisions to shape the future for employees, participants, attendees and supporting or related activities. Trustees expect the College's leadership to engage with and contribute to the industry's planning for the future. In the meantime, they believe that the company has adequate resources to continue as a healthy going concern and they look forward to the future with justifiable optimism. (Further details regarding the adoption of the going concern basis can be found in the Note 2.3 – Accounting Policies.)

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

Statement of Trustees' responsibilities

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

Company law requires the trustees to prepare financial statements for each financial . 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 auditor

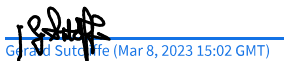
Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

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

Auditor

The auditor, BHP LLP, has indicated their willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

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



.....
Mr Gerard Sutcliffe

Date: Mar 8, 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NATIONAL HORSERACING COLLEGE

Opinion

We have audited the financial statements of National Horseracing College (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NATIONAL HORSERACING COLLEGE (CONTINUED)

Other information

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

We have nothing to report in this regard.

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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the directors' report have 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Act 2011 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's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 directors' report and from the requirement to prepare a strategic report.

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.

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.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the charities sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Charities Act 2011, Companies Act 2006, quality assurance of courses, safeguarding, horse welfare, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group and parent charitable company’s financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NATIONAL HORSERACING COLLEGE (CONTINUED)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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 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, and to the charitable company's trustees, as a body, in accordance with 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 and its trustees 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

BHP LLP

Jane Marshall (Senior statutory auditor)
for and on behalf of
BHP LLP
Chartered Accountants
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date: 10 March 2023

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 JULY 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	4	**41,500**	**-**	**41,500**	16,600
Charitable activities	5	**1,079,117**	**1,470,530**	**2,549,647**	2,602,801
Other trading activities	6	**125,271**	**-**	**125,271**	135,320
Other income	7	**-**	**-**	**-**	13,522
Total income		**1,245,888**	**1,470,530**	**2,716,418**	2,768,243
Expenditure on:					
Raising funds:	8				
Voluntary income		**101,767**	**26,864**	**128,631**	103,522
Other trading		**68,887**	**-**	**68,887**	83,274
Charitable activities	9	**1,188,336**	**1,392,134**	**2,580,470**	2,351,435
Other expenditure	11	**15,869**	**-**	**15,869**	20,760
Total expenditure		**1,374,859**	**1,418,998**	**2,793,857**	2,558,991
Net (expenditure)/income		**(128,971)**	**51,532**	**(77,439)**	209,252
Transfers between funds	22	**51,266**	**(51,266)**	**-**	-
Net movement in funds before other recognised gains		**(77,705)**	**266**	**(77,439)**	209,252
Other recognised gains:					
Actuarial gains/(losses) on defined benefit pension schemes	29	**1,537,000**	**-**	**1,537,000**	243,000
Net movement in funds		**1,459,295**	**266**	**1,459,561**	452,252
Reconciliation of funds:					
Total funds brought forward		**1,033,746**	**246,763**	**1,280,509**	828,257
Net movement in funds		**1,459,295**	**266**	**1,459,561**	452,252
Total funds carried forward		**2,493,041**	**247,029**	**2,740,070**	1,280,509

The Consolidated Statement of Financial Activities complies with the requirements for an income and expenditure account under Companies Act 2006 and includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

NATIONAL HORSERACING COLLEGE

(A company limited by guarantee)
REGISTERED NUMBER: 02266267

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	16		**3,062,162**		2,894,369
			3,062,162		2,894,369
Current assets					
Stocks	18	**19,235**		31,492	
Debtors	19	**97,018**		176,816	
Cash at bank and in hand		**245,714**		591,481	
		361,967		799,789	
Creditors: amounts falling due within one year	20	**(422,529)**		(426,587)	
Net current (liabilities) / assets			**(60,562)**		373,202
Total assets less current liabilities			**3,001,600**		3,267,571
Creditors: amounts falling due after more than one year	21		**(97,530)**		(313,062)
Net assets excluding pension liability			**2,904,070**		2,954,509
Defined benefit pension scheme liability	29		**(164,000)**		(1,674,000)
Total net assets			**2,740,070**		1,280,509
Charity funds					
Restricted funds	22		**247,029**		246,763
Unrestricted funds					
Designated funds	22	**56,335**		56,335	
General funds	22	**2,600,706**		2,651,411	
Unrestricted funds excluding pension liability	22	**2,657,041**		2,707,746	
Pension reserve	22	**(164,000)**		(1,674,000)	
Total unrestricted funds	22		**2,493,041**		1,033,746
Total funds			**2,740,070**		1,280,509

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2022

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:

Gerard Sutcliffe (Mar 8, 2023 15:02 GMT)

.....

Mr Gerard Sutcliffe
(Chair of Trustees)
Date: Mar 8, 2023

The notes on pages 22 to 55 form part of these financial statements.

NATIONAL HORSERACING COLLEGE

(A company limited by guarantee)
REGISTERED NUMBER: 02266267

COMPANY BALANCE SHEET
AS AT 31 JULY 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	16		**3,030,470**		2,857,065
Investments	17		**2**		2
			3,030,472		2,857,067
Current assets					
Stocks	18	**9,539**		22,060	
Debtors	19	**192,782**		297,501	
Cash at bank and in hand		**132,367**		461,706	
		334,688		781,267	
Creditors: amounts falling due within one year	20	**(402,080)**		(408,063)	
Net current liabilities / assets			**(67,392)**		373,204
Total assets less current liabilities			**2,963,080**		3,230,271
Creditors: amounts falling due after more than one year	21		**(97,530)**		(313,062)
Net assets excluding pension liability			**2,865,550**		2,917,209
Defined benefit pension scheme liability	29		**(164,000)**		(1,674,000)
Total net assets			**2,701,550**		1,243,209

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2022

	Note		2022 £		2021 £
Charity funds					
Restricted funds	22		**247,029**		246,763
Unrestricted funds					
Designated funds	22	**56,335**		56,335	
General funds		**2,562,186**		2,614,111	
	22				
Unrestricted funds excluding pension liability	22	**2,618,521**		2,670,446	
Pension reserve	22	**(164,000)**		(1,674,000)	
Total unrestricted funds	22		**2,454,521**		996,446
Total funds			**2,701,550**		1,243,209

The company has taken advantage of the exemption allowed under s408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements. The company's net movement in funds for the year was £1,458,341 (2021 - £475,409).

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:

Gerard Sutcliffe (Mar 8, 2023 15:02 GMT)

Mr Gerard Sutcliffe
(Chair of Trustees)
Date: Mar 8, 2023

The notes on pages 22 to 55 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022

	Note	**2022** **£**	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	25	**170,010**	318,849
Cash flows from investing activities			
Purchase of tangible fixed assets		**(303,472)**	(134,734)
Proceeds from disposal of fixed assets		**7,041**	-
Net cash used in investing activities		**(296,431)**	**(134,734)**
Cash flows from financing activities			
Repayments of borrowing		**(203,477)**	(123,622)
Interest paid		**(15,869)**	(20,760)
Net cash used in financing activities		**(219,346)**	**(144,382)**
Change in cash and cash equivalents in the year		**(345,767)**	**39,733**
Cash and cash equivalents at the beginning of the year		**591,481**	551,748
Cash and cash equivalents at the end of the year	26	**245,714**	591,481

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

1. General information

The charity is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Its registered office is The Stables, Rossington Hall, Great North Road, Doncaster, South Yorkshire, DN11 0HN.

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 issued October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

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

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 Going concern

The charity, for some years, has been unable to comply with its policy to hold free reserves of between 1 and 2 months operational expenditure. Group surpluses in unrestricted funds in recent years had allowed the College to work towards adherence of the policy, however the onset of the global pandemic brought increased risk to the charity's finances.

The NHC has been fortunate to be supported by continued regular contract payments from the racing industry and some additional support recognising the significant impact that will result over the coming year to two years due to cohorts of learners which could not enter the training pipeline.

Steps taken by central government, local authorities and the racing industry already have helped to support the College's own efforts to sustain its staff and learners through this period of global adversity. Uncertainties around the pandemic still remain, but the business has taken decisive and effective measures to preserve cash flow and increase its resilience.

The Trustees have prepared forecasts of income and expenditure and cash flow for the period to 31 March 2024 which shows that they have sufficient cash to be able to continue for the foreseeable future.

2. Accounting policies (continued)

2.3 Going concern (continued)

The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

2.4 Income

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

Grants are included in the consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service. Included in other income is CJRS income which is recognised in the period for which the claim was made.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

2. Accounting policies (continued)

2.5 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

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

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives .

Depreciation is provided on the following bases:

Visitor centre	- Variable between 2% - 33% on a reducing balance
Building refurbishment	- Variable between 1% - 20% on a reducing balance
Leasehold land & buildings	- Variable between 1% - 20% on a reducing balance
Stable block	- 1% reducing balance
Plant, equipment and motor vehicles	- Variable between 5% - 20% on a reducing balance
Gallop, menage and indoor riding school	- Variable between 1% - 10% on a reducing balance
Assets under construction	- Not depreciated
Computer equipment	- Variable between 20% - 33% on a reducing balance

2.7 Investments

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

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2. Accounting policies (continued)

2.9 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.

2.10 Cash at bank and in hand

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

2.11 Liabilities

Liabilities and provisions 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.

2.12 Financial instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

Rentals paid under operating leases are charged to the consolidated statement of financial activities on a straight line basis over the lease term.

2. Accounting policies (continued)

2.15 Pensions

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

The group operates a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

2.16 Fund accounting

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

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

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

2.17 Taxation

The company is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.18 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The present value of the South Yorkshire (SY) defined benefit pension liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net costs or income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the liability.

4. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations			
Pontefract race day income	6,500	**6,500**	1,600
Leger Legends income	35,000	**35,000**	15,000
	41,500	**41,500**	16,600
Total 2021	16,600	16,600	

5. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Operation of educational and training college	13,460	1,240,131	**1,253,591**	1,269,128
ESFA	993,508	-	**993,508**	997,595
Other activity related income	30,649	-	**30,649**	23,970
Grants (see detailed breakdown below)	41,500	230,399	**271,899**	312,108
	1,079,117	1,470,530	**2,549,647**	2,602,801
Total 2021	1,075,813	1,526,988	2,602,801	

Grants

	2022	2021
	£	£
Big Lottery	**-**	57,825
Regional training grant	**41,399**	50,000
BHA	**159,000**	101,000
IT equipment	**-**	30,000
Racing simulator	**30,000**	30,000
Total restricted grants	**230,399**	268,825
Racing welfare	**14,500**	16,283
Regional training support	**12,000**	12,000
14-16 year old programme	**15,000**	15,000
Total unrestricted grants	**41,500**	43,283
Total	**271,899**	312,108

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
NHC Trading Limited	125,271	**125,271**	135,320
Total 2021	135,320	135,320	

The charity has a wholly owned trading subsidiary, NHC Trading Limited (company number 03538751). The company was incorporated on 1 April 1998 and has issued share capital of two ordinary shares. The company gifts its taxable profits to National Horseracing College. Unaudited accounts are filed with Companies House.

7. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
CJRS income	-	**-**	13,522
Total 2021	13,522	13,522	

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Restricted funds 2022 £	**Total funds 2022 £**	Total funds 2021 £
Fundraising and publicity	1,561	-	**1,561**	(100)
Voluntary income staff costs	100,206	26,864	**127,070**	103,622
	101,767	26,864	**128,631**	103,522
Total 2021	103,522	-	103,522	

Other trading expenses

	Unrestricted funds 2022 £	**Total funds 2022 £**	Total funds 2021 £
Cost of sales	57,628	**57,628**	68,051
Administration expenses	5,647	**5,647**	8,426
Depreciation	5,612	**5,612**	6,797
Total 2022	68,887	**68,887**	83,274
Total 2021	83,274	83,274	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	**Total 2022 £**	Total 2021 £
Operation of educational and training college	1,188,336	1,392,134	**2,580,470**	2,351,435
Total 2022	1,188,336	1,392,134	**2,580,470**	2,351,435
Total 2021	868,040	1,483,395	2,351,435	

10. Summary by expenditure category

	2022	2021
	£	£
Training costs	**140,236**	128,581
Accommodation	**455,781**	419,765
Stable yard	**182,443**	148,219
Staff costs	**824,514**	750,801
National Insurance	**112,116**	97,786
Pension costs	**52,061**	47,235
Pension finance costs	**26,000**	29,000
Depreciation	**113,068**	91,312
Total direct costs	**1,906,219**	1,712,699
Administration costs	**272,555**	268,664
Staff costs	**223,760**	182,341
Total management and administration	**496,315**	451,005
Support administration costs	**59,829**	58,975
Total support costs	**59,829**	58,975
Governance costs (see note 12)	**118,107**	128,756
Overall Total	**2,580,470**	2,351,435

11. Other expenditure

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank and other interest	15,869	**15,869**	20,760
Total 2021	20,760	20,760	

12. Governance costs

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Auditor's remuneration	8,911	**8,911**	9,435
Trustees' expenses	520	**520**	533
Legal and professional	11,703	**11,703**	16,299
Salaries and related charges	96,973	**96,973**	102,489
Total 2022	118,107	**118,107**	128,756
Total 2021	128,756	128,756	

13. Net income/(expenditure)

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets owned by the group	**113,454**	92,832
Depreciation of tangible fixed assets held under finance leases	**5,226**	5,276
Auditor's remuneration- audit	**8,911**	9,435
Loss on disposal	**6,261**	-

14. Staff costs

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Wages and salaries	**1,271,317**	1,134,253	**1,271,317**	1,134,253
Social security costs	**112,116**	97,786	**112,116**	97,786
Pension costs	**52,061**	47,235	**52,061**	47,235
Operating costs of defined benefit pension schemes	**1,000**	5,000	**1,000**	5,000
	1,436,494	1,284,274	**1,436,494**	1,284,274

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

	Group 2022 No.	Group 2021 No.
	51	48

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

	Group 2022 No.	Group 2021 No.
In the band £90,001 - £100,000	**-**	1
In the band £110,000 - £120,000	**1**	-

The total remuneration and benefits received by key management personnel including employer's NI and pension was £346,977 (2021: £352,774). The trustees consider senior management personnel to be the Chief Executive Officer, the Operations Director, the Support Services Manager, the Work Based Learning Manager, the Foundation Course Manager, the Head of Instructors and the Fundraising Manager.

15. Trustees' remuneration and expenses

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

During the year ended 31 July 2022, expenses totalling £520 were reimbursed or paid directly to 4 Trustees (2021 - £533 to 3 Trustees). These expenses relate to the reimbursement of travel expenses incurred by the Trustees when attending National Horseracing College Trustee meetings and events.

16. Tangible fixed assets

Group

	Visitor centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Assets under construction £	Total £
Cost or valuation									
At 1 August 2021	**816,681**	**463,619**	**1,239,582**	**652,271**	**837,934**	**564,977**	**94,850**	**45,730**	**4,715,644**
Additions	**-**	**8,484**	**4,595**	**-**	**93,159**	**197,234**	**-**	**-**	**303,472**
Disposals	**-**	**-**	**-**	**-**	**-**	**(26,425)**	**-**	**-**	**(26,425)**
Transfers between classes	**-**	**-**	**-**	**-**	**27,735**	**17,995**	**-**	**(45,730)**	**-**
At 31 July 2022	**816,681**	**472,103**	**1,244,177**	**652,271**	**958,828**	**753,781**	**94,850**	**-**	**4,992,691**
Depreciation									
At 1 August 2021	**232,674**	**255,495**	**307,257**	**170,615**	**478,141**	**314,075**	**63,018**	**-**	**1,821,275**
Charge for the year	**12,688**	**7,437**	**11,233**	**6,406**	**16,587**	**57,703**	**6,626**	**-**	**118,680**
On disposals	**-**	**-**	**-**	**-**	**-**	**(9,426)**	**-**	**-**	**(9,426)**
At 31 July 2022	**245,362**	**262,932**	**318,490**	**177,021**	**494,728**	**362,352**	**69,644**	**-**	**1,930,529**

16. Tangible fixed assets (continued)

Group (continued)

	Visitor centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Assets under construction £	Total £
Net book value									
At 31 July 2022	**571,319**	**209,171**	**925,687**	**475,250**	**464,100**	**391,429**	**25,206**	**-**	**3,062,162**
At 31 July 2021	584,007	208,124	932,325	481,656	359,793	250,902	31,832	45,730	2,894,369

16. Tangible fixed assets (continued)

Company

	Visitor centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Assets under construction £	Total £
Cost or valuation									
At 1 August 2021	**816,681**	**463,619**	**1,235,441**	**652,271**	**837,934**	**443,642**	**94,850**	**45,730**	**4,590,168**
Additions	**-**	**8,484**	**4,595**	**-**	**93,159**	**197,234**	**-**	**-**	**303,472**
Disposals	**-**	**-**	**-**	**-**	**-**	**(26,425)**	**-**	**-**	**(26,425)**
Transfers between classes	**-**	**-**	**-**	**-**	**27,735**	**17,995**	**-**	**(45,730)**	**-**
At 31 July 2022	**816,681**	**472,103**	**1,240,036**	**652,271**	**958,828**	**632,446**	**94,850**	**-**	**4,867,215**
Depreciation									
At 1 August 2021	**232,674**	**255,495**	**306,266**	**170,615**	**478,141**	**226,894**	**63,018**	**-**	**1,733,103**
Charge for the year	**12,688**	**7,437**	**11,150**	**6,406**	**16,587**	**52,174**	**6,626**	**-**	**113,068**
On disposals	**-**	**-**	**-**	**-**	**-**	**(9,426)**	**-**	**-**	**(9,426)**
At 31 July 2022	**245,362**	**262,932**	**317,416**	**177,021**	**494,728**	**269,642**	**69,644**	**-**	**1,836,745**

16. Tangible fixed assets (continued)

Company (continued)

	Visitor centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Assets under construction £	Total £
Net book value									
At 31 July 2022	**571,319**	**209,171**	**922,620**	**475,250**	**464,100**	**362,804**	**25,206**	**-**	**3,030,470**
At 31 July 2021	584,007	208,124	929,175	481,656	359,793	216,748	31,832	45,730	2,857,065

17. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 August 2021	**2**
At 31 July 2022	**2**
Net book value	
At 31 July 2022	**2**
At 31 July 2021	2

National Horseracing College owns 100% of the ordinary share capital of its trading subsidiary, NHC Trading Limited, a company incorporated in England and Wales.

17. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	Company number	Registered office or principal place of business	Class of shares	Holding
NHC Trading Limited	03538751	The Stables, Rossington Hall, Great North Road, Doncaster, DH11 0HN	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
NHC Trading Limited	**125,271**	**(118,887)**	**6,384**	**38,522**

18. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Finished goods	**19,235**	31,492	**9,539**	22,060

19. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	**49,197**	108,016	**46,872**	93,980
Amounts owed by group undertakings	**-**	-	**98,089**	134,721
Other debtors	**24,444**	877	**24,444**	877
Prepayments and accrued income	**23,377**	67,923	**23,377**	67,923
	97,018	176,816	**192,782**	297,501

20. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Bank loans	**68,292**	64,268	**68,292**	64,268
Trade creditors	**160,354**	154,846	**150,041**	142,449
Other taxation and social security	**50,177**	40,012	**46,041**	34,914
Obligations under finance lease and hire purchase contracts	**16,726**	8,695	**16,726**	8,695
Other creditors	**126,980**	158,766	**120,980**	157,737
	422,529	426,587	**402,080**	408,063

The hire purchase contract is secured against the asset to which it relates.

21. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Bank loans	**78,671**	311,963	**78,671**	311,963
Net obligations under finance lease and hire purchase contracts	**18,859**	1,099	**18,859**	1,099
	97,530	313,062	**97,530**	313,062

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Repayable by instalments	**-**	165,000	**-**	165,000
	-	165,000	**-**	165,000

Bank loans and overdrafts are secured by way of a first legal charge over the assets and undertakings of the charity, including the Residential Centre, Rossington Hall, Great North Road, Doncaster.

Bank loans are repaid monthly over the term of the loan. Interest is payable at a fixed rate of 5.955%. Interest on any bank overdrafts is payable at 5.55% above base rate.

22. Statement of funds

Statement of funds - current year

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2022 £
Unrestricted funds						
Designated funds						
College improvements	**56,335**	**-**	**-**	**-**	**-**	**56,335**
General funds						
General funds	**2,614,111**	**1,120,617**	**(1,228,972)**	**56,430**	**-**	**2,562,186**
Reserves held in subsidiary	**37,300**	**125,271**	**(118,887)**	**(5,164)**	**-**	**38,520**
Pension reserve	**(1,674,000)**	**-**	**(27,000)**	**-**	**1,537,000**	**(164,000)**
	977,411	**1,245,888**	**(1,374,859)**	**51,266**	**1,537,000**	**2,436,706**
Total Unrestricted funds	**1,033,746**	**1,245,888**	**(1,374,859)**	**51,266**	**1,537,000**	**2,493,041**
Restricted funds						
Horseracing grant scheme	**58,000**	**-**	**(3,904)**	**(7,255)**	**-**	**46,841**
Regional training grant	**78,681**	**200,399**	**(143,249)**	**-**	**-**	**135,831**
Horsebox grant	**25,000**	**-**	**(2,802)**	**(14,011)**	**-**	**8,187**
Big Lottery funding	**28,912**	**-**	**(28,912)**	**-**	**-**	**-**
Peter O'Sullivan Trust - Lunge pen	**48,125**	**-**	**-**	**-**	**-**	**48,125**
The Racing Foundation- Lunge pen	**8,045**	**-**	**-**	**-**	**-**	**8,045**
BHA & HBLB programmes	**-**	**1,240,131**	**(1,240,131)**	**-**	**-**	**-**

22. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2022 £
Peter O'Sullivan - simulator	-	30,000	-	(30,000)	-	-
	246,763	1,470,530	(1,418,998)	(51,266)	-	247,029
Total of funds	1,280,509	2,716,418	(2,793,857)	-	1,537,000	2,740,070

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
Unrestricted funds						
Designated funds						
College improvements	56,335	-	-	-	-	56,335
General funds						
General funds	2,331,295	1,105,935	(908,407)	85,288	-	2,614,111
Reserves held in subsidiary	60,457	135,320	(133,189)	(25,288)	-	37,300
Pension reserve	(1,883,000)	-	(34,000)	-	243,000	(1,674,000)
	508,752	1,241,255	(1,075,596)	60,000	243,000	977,411
Total Unrestricted funds	565,087	1,241,255	(1,075,596)	60,000	243,000	1,033,746
Restricted funds						
Horseracing grant scheme	60,000	-	(2,000)	-	-	58,000
Regional training grant	64,175	141,000	(126,494)	-	-	78,681
Horsebox grant	25,000	-	-	-	-	25,000
Big Lottery funding	57,825	57,825	(86,738)	-	-	28,912
Peter O'Sullivan Trust - Lunge pen	48,125	-	-	-	-	48,125
The Racing Foundation- Lunge pen	8,045	-	-	-	-	8,045
BHA & HBLB programmes	-	1,258,163	(1,258,163)	-	-	-

22. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
Peter O'Sullivan - simulator	-	30,000	-	(30,000)	-	-
IT Grant	-	30,000	-	(30,000)	-	-
MIS compliance manager	-	10,000	(10,000)	-	-	-
	263,170	1,526,988	(1,483,395)	(60,000)	-	246,763
Total of funds	828,257	2,768,243	(2,558,991)	-	243,000	1,280,509

Restricted Funds

The funds of the charity include restricted funds comprising the following unexpended balances of grants and donations held on trust to be applied for specific purposes:

The Horseracing grant scheme represents a contribution from the British Horseracing Authority towards the costs of the construction of the ground floor of what will become the College's proposed new accommodation block, the construction of this has not begun.

The regional training grant represents grants received from the Racing Foundation under its 'People Development' initiative to provide Rider coaching sessions, simulator training and theoretical coaching for the racing Community.

Horsebox grant - to fund a new horsebox.

Big Lottery **-** Youth engagement support - grant to provide additional support to disadvantaged learners.

The lunge pen grant are two grants, one from The Peter O'Sullivan Trust and one from The Racing Foundation to create a new lunge pen for the horses, included in the building of the lunge pen is a new racehorse simulator.

The BHA & HBLB programmes fund is money received from the British Horseracing Association in order for the college to deliver it's courses and help with the day to day running of the facility.

Peter O'Sullivan simulator is a grant from the POS Charitable Trust to assist the Charity to purchase a new Racing Simulator which is a significant upgrade to its existing provision.

IT Grant is a Grant from BHA to help NHC to finance a major upgrade to its IT infrastructure. The new facilities improve both provision to Learners and to the administration of the Charity.

MIS compliance manager is a grant from the Racing Foundation to contribute to the Salary of the Contract Coordinator to assist in ensuring the maximum subsidy from Government funds to the costs of the Charity.

Transfer between funds
A transfer has been made from restricted funds to unrestricted funds for capital expenditure where the conditions of the funding have been fulfilled.

23. Summary of funds

Summary of funds - current year

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2022 £
Designated funds	**56,335**	**-**	**-**	**-**	**-**	**56,335**
General funds	**977,411**	**1,245,888**	**(1,374,859)**	**51,266**	**1,537,000**	**2,436,706**
Restricted funds	**246,763**	**1,470,530**	**(1,418,998)**	**(51,266)**	**-**	**247,029**
	1,280,509	**2,716,418**	**(2,793,857)**	**-**	**1,537,000**	**2,740,070**

Summary of funds - prior year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
Designated funds	56,335	-	-	-	-	56,335
General funds	508,752	1,241,255	(1,075,596)	60,000	243,000	977,411
Restricted funds	263,170	1,526,988	(1,483,395)	(60,000)	-	246,763
	828,257	2,768,243	(2,558,991)	-	243,000	1,280,509

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	3,062,162	-	**3,062,162**
Current assets	114,938	247,029	**361,967**
Creditors due within one year	(422,529)	-	**(422,529)**
Creditors due in more than one year	(97,530)	-	**(97,530)**
Provisions for liabilities and charges	(164,000)	-	**(164,000)**
Total	2,493,041	247,029	**2,740,070**

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,894,369	-	2,894,369
Current assets	553,026	246,763	799,789
Creditors due within one year	(426,587)	-	(426,587)
Creditors due in more than one year	(313,062)	-	(313,062)
Provisions for liabilities and charges	(1,674,000)	-	(1,674,000)
Total	1,033,746	246,763	1,280,509

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

	Group 2022 £	Group 2021 £
Net (expenditure)/ income for the year (as per statement of financial activities)	**(77,439)**	209,252
Adjustments for:		
Depreciation charges	**118,680**	98,108
Loss on the sale of fixed assets	**9,958**	-
Decrease in stocks	**12,257**	3,946
Decrease/(increase) in debtors	**79,798**	(92,223)
(Decrease)/ increase in creditors	**(16,113)**	45,006
Interest paid	**15,869**	20,760
Defined benefit pension adjustment	**27,000**	34,000
Net cash provided by operating activities	**170,010**	318,849

26. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	**245,714**	591,481
Total cash and cash equivalents	**245,714**	591,481

27. Analysis of changes in net debt

	At 1 August 2021 £	Cash flows £	At 31 July 2022 £
Cash at bank and in hand	**591,481**	**(345,767)**	**245,714**
Debt due within 1 year	**(64,268)**	**(4,024)**	**(68,292)**
Debt due after 1 year	**(311,963)**	**233,292**	**(78,671)**
Finance leases	**(9,794)**	**(25,791)**	**(35,585)**
	205,456	**(142,290)**	**63,166**

28. Capital commitments

	Group 2022 £	Group 2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	**-**	38,000

29. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge includes contributions payable by the company to the fund and amounted to £52,061 (2021: £47,235). Contributions totalling £6,047 (2021: £2,035) were payable to the fund at the balance sheet date and are included in creditors.

The group operates a defined benefit pension scheme.

National Horseracing College is a member of the South Yorkshire Pension scheme which is a multi-employer pension scheme providing benefits on final pensionable pay. The assets of the scheme are held separately from those of National Horseracing College. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with National Horseracing College. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

A full actuarial valuation was carried out as at 31 March 2019 and to the 31 July 2022 specifically for the college by Hymans Robertson LLP.

The contributions made for the year ended 31 July 2022 were £53,000 (2021: £56,000).

At the balance sheet date there were outstanding contributions payable of £5,001 (2021: £4,497).

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	At 31 July 2022 %	At 31 July 2021 %
Discount rate	**3.50**	1.60
Future salary increases	**3.75**	3.85
Future pension increases	**2.75**	2.70

	At 31 July 2022 Years	At 31 July 2021 Years
Mortality rates (in years)		
- for a male aged 65 now	**22.6**	22.5
- at 65 for a male aged 45 now	**24.1**	24.0
- for a female aged 65 now	**25.4**	25.3
- at 65 for a female aged 45 now	**27.3**	27.2

29. Pension commitments (continued)

The group's share of the assets in the scheme was:

	At 31 July 2022 £	At 31 July 2021 £
Equities	**2,322,880**	1,593,000
Government bonds	**751,520**	465,000
Other bonds	**-**	252,000
Property	**307,440**	292,000
Cash and other liquid assets	**34,160**	60,000
Other	**-**	657,000
Total fair value of assets	**3,416,000**	3,319,000

The actual return on scheme assets was £143,000 (2021 - £463,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2022 £	2021 £
Current service cost	**54,000**	60,000
Past service cost	**-**	(55,000)
Interest income	**(53,000)**	(46,000)
Interest cost	**79,000**	75,000
Administrative expenses	**-**	1,000
Total amount recognised in the Consolidated Statement of Financial Activities	**80,000**	35,000

29. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2022 £
Opening defined benefit obligation	**4,993,000**
Current service cost	**54,000**
Interest cost	**79,000**
Contributions by scheme participants	**8,000**
Actuarial (gains)/losses	**(1,450,000)**
Benefits paid	**(104,000)**
Closing defined benefit obligation	**3,580,000**

Movements in the fair value of the group's share of scheme assets were as follows:

	2022 £
Opening fair value of scheme assets	**3,319,000**
Expected return on assets	**53,000**
Actuarial gains	**87,000**
Contributions by employer	**53,000**
Contributions by scheme participants	**8,000**
Benefits paid	**(104,000)**
Closing fair value of scheme assets	**3,416,000**

Amounts for the current and previous period for the defined benefit pension schemes are as follows:

	2022 **£**	2021 £
Defined benefit obligation	**(3,580,000)**	(4,993,000)
Scheme assets	**3,416,000**	3,319,000
Deficit	**(164,000)**	(1,674,000)
Experience adjustments on scheme liabilities	**1,450,000**	(175,000)
Experience adjustment on scheme assets	**87,000**	418,000

30. Operating lease commitments

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

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Not later than 1 year	**2,547**	1,643	**2,547**	1,643
Later than 1 year and not later than 5 years	**238**	1,980	**238**	1,980
	2,785	3,623	**2,785**	3,623

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
Operating lease rentals	**5,258**	18,902	**5,258**	18,902

31. Related party transactions

During the year purchases were made from NHC Trading Limited (a wholly owned trading subsidiary) totalling £7,120 (2021: £2,896). Management charges of £50,000 were made in the year to NHC Trading Limited (2021: £49,915). At the year end £98,089 (2021: £134,721) was due from NHC Trading Limited.

32. Controlling party

The Trust is a charity limited by guarantee and is therefore ultimately controlled by the Trustees.

National Horseracing College Limited

England & Wales - Charity number 700405

Accounts

Registered number: 02266267
Charity number: 700405

NATIONAL HORSERACING COLLEGE

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

NATIONAL HORSERACING COLLEGE

(A company limited by guarantee)

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NATIONAL HORSERACING COLLEGE

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS

FOR THE YEAR ENDED 31 JULY 2021

Trustees

Mr Gerard Sutcliffe, Chairman
Mr Howard Wright, Deputy Chairman
Mr Timothy Adams MBE
Mr Timothy Lyle
Mr James Hetherton
Mr Jeffrey Ennis
The Honourable Oliver Greenall
Ms Susannah Gill
Ms Nicola Frampton
Ms Sally Iggulden
Dr Helen McCarthy (appointed 2 June 2021)
Mr Callum Helliwell (appointed 8 December 2021)
Mr Christopher Mallinson (resigned 13 December 2020)
Mr N Brewster (resigned 18 November 2021)

Vice Presidents

Mr Sandy Struthers
Sir Robert Ogden CBE LLD (deceased 8 March 2022)
Monsieur Didier Garnier
Mr Roy Thwaites
The Rt Hon Richard Caborn
Ms Julie Krone

Company registered number

02266267

Charity registered number

700405

Registered office

The Stables, Rossington Hall, Great North Road, Doncaster, South Yorkshire, DN11 0HN

Patron

Countess of Halifax

Chief executive officer

Mr Stephen Padgett OBE

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

Independent auditor

BHP LLP, 2 Rutland Park, Sheffield, S10 2PD

Bankers

Yorkshire Bank, 19 St Sepulchre Gate, Doncaster, DN1 1TD

Solicitors

Jordans, 4 Priory Place, Doncaster, DN1 1BP

Pension Administrators

South Yorkshire Pensions Authority, P O Box 37, Regent Street, Barnsley, S70 2PQ

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 JULY 2021

The trustees present their report and the audited financial statements of the charitable group for the year ended 31 July 2021. The Annual report serves the purposes of both a trustees' report and a directors' report under company law. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" in preparing the annual report and financial statements of the charitable group.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 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 published in October 2019.

Overview

During the second half of the last audit period, the College's learners, staff and leaders had developed and adopted ways of operating and managing in order to continue the training needed by the racing industry despite the global COVID-19 pandemic. Throughout this reporting period, although the pandemic continued to be a dominating factor, the new ways of working were validated, proving sufficiently effective to allow on-site delivery of training to continue virtually uninterrupted. The diligence and commitment of staff at all levels played a crucial role in enabling this and lead to the College finding itself in a stronger position than was feared.

While the consequences of the coronavirus pandemic will continue to be felt for years to come, this report is written in the confident expectation that the robust, timely and effective actions of the NHC's leaders have not only protected the College from what could have been an existential threat but have positioned it to continue to succeed through and beyond these extraordinary and deeply challenging times. In addition, trustees wish to re-state their appreciation of the very supportive positions adopted by partners in the industry, the flexibility and resilience of the College's staff and the patient stoicism of learners.

Objectives and activities

a. Policies and objectives

The objects of the charity are to advance education, particularly among young persons, and to relieve the need of unemployed persons by the provision of vocational and academic training connected with the horse racing, equestrian, agricultural, horticultural and their allied areas.

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. Strategies for achieving objectives

- Provide accessible and inclusive training opportunities for people wanting to work in the horse racing industry.
- Ensure training is realistic and relevant but delivered progressively to develop learners to be ready for work.
- Provide a supportive, encouraging environment around that training enabling as many learners as possible to achieve their goals.
- Engage widely and collaboratively with employers across the industry to maximise learners' chances of gaining and keeping paid employment.
- Promote constructive behaviours and positive attitudes in all that we do.
- Make the very best of resources available to optimise the College's contribution to public benefit.

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

- Recruit widely and remove as many barriers as possible that could deter potential learners.
- Provide bursaries and other practical support to ensure those with limited resources can access training opportunities.
- Provide intensive residential Foundation Courses covering a comprehensive syllabus that prepares them for the jobs that are available.
- Deliver life skills training to increase learners' resilience, confidence and independence.
- Match learners with the most appropriate employment opportunities to optimise their chances of satisfaction and success.
- Provide ongoing support in the workplace to enable further learner development (apprenticeships) and aid worker retention.

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

The trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aim and objectives and in planning our future activities. In particular, the trustees consider its investment into its chosen workstreams of Workforce and Community Investment contribute towards its objectives through providing a public benefit.

The National Horseracing College (NHC) is the only specialist training provider to the horse racing industry in the north of England and one of only two in the United Kingdom. The College offers a variety of training courses designed to meet industry needs. It has a reputation for delivering high quality staff, many of whom go on to have long careers in a wide variety of roles in racing.

Achievements and Performance

a. Study Programme

In 2020/21, there were 104 learners overall on Study Programme courses – these included 34 Traineeships, 53 on the L1 Residential Foundation Course (FC) and 17 on the non-residential, day attendance Doncaster Equine College (DEC) Programme. The residential programme is 12 weeks duration followed by a 6-week work placement planned with an employer. While most learners are 16-18 year olds living away from home for the first time, each intake usually includes a small number of 19+ learners.

Qualifications on the FC include Level 1 (L1) Diploma in Racehorse Care and Riding, L1 Diploma in Work-Based Horse Care, Entry 3 Award in Basic Knowledge of the Horseracing Industry, L3 Award Short journey in the transportation of Horses and Functional skills. L1 Diploma rates have improved to 87.9%. Traineeship achievement rates are high at 87.6% and Study Programme overall success rates have improved to 88.1% from 75.6% in 2019/20.

This has been a particularly challenging year due to COVID-19. Residential FC students were required to stay on site without access to visitors, sometimes for the whole course, and this caused emotional distress for some students. Despite other difficulties, the College's approach this year led to the retention rate for all age groups on the FC reaching an extraordinarily impressive 92%, one of the two highest rates (93% last year) of the last decade.

Achievements and Performance (continued)

(continued)

Functional English results overall have improved radically (90%) and mathematics results overall (90.6%) are outstanding considering the starting points of learners. There is a clear correlation that the starting points of learners impacts on their retention and achievement rates. Of the FC cohorts in 2020/21: 36% have received counselling or had a support worker, 25% have a self-stated learning difficulty, 26% consider they have a mental health problem, 10% did not complete school, 4% have an Education, Health & Care Plan (EHCP), 5% were fostered/in care/adopted, 12% have a self-stated physical health problem, 5% have a self-stated disability. While the proportion of disadvantaged learners has increased, NHC's dedicated staff continue to drive up achievements and progressions to very positive effect. It is outstanding that 91.6% of learners with learning difficulties or disabilities (LLDD) achieve better than the rest of their main group of peers.

The NHC prepares non-employed young people for the world of work. Learners follow an intensive curriculum that includes social development skills covering employability, cooking, resilience, self-belief, time management skills and preparation for functional skills at different levels. There is a range of other additional accreditation opportunities such as safeguarding, emergency first aid, Racing2Learn modules e.g. health & wellbeing, LGBT+ awareness. There are also sessions delivered by external speakers from NARS, Racing Welfare, Galahad (drug awareness) and a nutrition expert.

Parent or guardian feedback is very positive about the personal development and improved behaviour of their children. Of those who graduated from the residential FC 86% went into work placement (and then apprenticeship 52%) and 72% of those who graduated had a positive destination. There was a decline in learners moving into positive destinations, mostly due to the disruption caused by the pandemic.

b. Apprenticeships

The College's staff work hard to match learners to employers to determine the best placement for them. The frequency of support for learners on transition to apprenticeships has increased, with consequent improvement in progressions. Once on apprenticeships, learners are employed in line with a national wage scale sanctioned by the British Horseracing Authority (BHA), which exceeds Apprenticeship wage requirements. Learners are on apprenticeships for up to 18 months and move between employers where necessary and appropriate. Where learners express a justified desire to move, NHC works hard to find alternative racing yards, maintaining close contact to retain the learner in learning. The industry is renowned for its high turnover of staff and NHC works hard to keep apprentices on programme until completion. It has instigated more thorough tracking of its early leavers and it is now known that 85% stay in the equine industry.

The curriculum offer in 2020/21 comprised L2 and L3 apprenticeships in equine groom and senior equine groom including diplomas. Additional qualifications are offered to learners including emergency first aid, safeguarding, transporting horses by road on long journeys and L2 functional skills.

There were 153 learners in learning overall, this was an increase of around 20% in numbers on the previous year. Achievement levels declined on previous years – in the main due to COVID-19 and the challenge of sitting End Point Assessments (EPA) in 2020. Overall achievement in 2020/21 was 73.6% against 75% the previous year but both years were slightly above the provider group and national averages. The College encouraged and worked with its awarding organisation to enable flexible EPA in light of COVID-19 restrictions. Almost all apprentices getting to EPA achieved a pass and 30% achieved a distinction.

Achievements and Performance (continued)

(continued)

c. Priorities, Activities and Achievements

Constant priorities around safeguarding and our duty of care to learners on residential courses, learners in the workplace and to staff took a new twist with the continued risks posed by COVID-19 during this year. The efforts that had been made to develop and adopt effective COVID safety protocols specific to the situation at the NHC proved more successful than anyone could have hoped. Clearly, a very high priority also had to continue to be devoted to ensuring the viability of the business. Well-informed, timely decision-making by the Levy Board and Racing Foundation helped to support the NHC as part of the wider racing industry through the crisis. Internally, careful planning, control of outgoings, re-scheduling of works and optimal use of Government schemes combined to put the College in a good position despite the extraordinary challenges of the pandemic. One of the unexpected positive consequences of new working protocols was the successful implementation of flexible working practices which, though designed initially to reduce the risks of COVID transmission, have proved already to be facilitating increased productivity and improved quality of life in some respects.

d. Marketing and Recruiting

Additional resources put into this area over recent years seem to be delivering benefits in terms of increased expressions of interest, increased engagement through social media and increased applications for attendance on the Foundation Course. It is too early to tell if the consequences for the wider national economy of the pandemic or even the consequences of Brexit may affect numbers seeking jobs in the racing industry or the number of jobs on offer. However, marketing and recruiting efforts continue apace as the industry as a whole had a significant shortfall of staff pre-pandemic and, even if some contraction occurs, there was plenty of ground to make up and the NHC has to support that effort.

e. Fundraising and Commercial Activities

These activities continued to be affected adversely this year as COVID-19 put paid to many of the plans and otherwise reasonable expectations for letting of facilities, grant making bodies shifted many of their priorities for donations and opportunities to engage the public virtually ceased.

The charity has not carried out any significant fundraising activities.

f. Infrastructure and Equipment

The NHC continued to invest in these areas as part of its strategy to enhance the offer to learners and the attraction of commercial users. The increased capabilities and capacity of the NHC's own maintenance staff continued to allow improvements to be made to facilities at modest cost even when the effects of the pandemic limited the availability of tradesmen elsewhere.

The sale of the land the College holds on a 99 year lease (to 2095), which is approximately half of the area occupied by the College but upon which the majority of its built infrastructure is sited, has had little impact on the operations or ambitions of the NHC. Trustees are entirely confident in the security of the College's lease and do not foresee the transfer of ownership posing any meaningful threat to the enterprise but continue to hope it might present opportunities in the future.

Achievements and Performance (continued)

Financial review

a. Going concern

The charity, for some years, has been unable to comply with its policy to hold free reserves of between 1 and 2 months operational expenditure. Group surpluses in unrestricted funds in recent years had allowed the College to work towards adherence of the policy, however the onset of the global pandemic brought increased risk to the charity's finances.

The NHC has been fortunate to be supported by continued regular contract payments from the racing industry and some additional support recognising the significant impact that will result over the coming year to two years due to cohorts of learners which could not enter the training pipeline.

Steps taken by central government, local authorities and the racing industry already have helped to support the College's own efforts to sustain its staff and learners through this period of global adversity. Uncertainties around the pandemic still remain, but the business has taken decisive and effective measures to preserve cash flow and increase its resilience.

The trustees have prepared forecasts of income and expenditure and cash flow for the period to 31 March 2023 which shows that they have sufficient cash to be able to continue for the foreseeable future. The trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

b. Reserves policy

The NHC has been fortunate to be supported by continued regular contract payments from the racing industry and some additional support recognising the significant impact that has already or will be felt due to cohorts of learners not entering the training pipeline. However, the global pandemic highlighted starkly the need for all businesses to maintain a reserve. Management decisions have sought, very determinedly, to preserve liquidity in the business to allow it to weather successfully the storm whose impact will continue to be felt. For many years the College was unable to fulfil its ambition to hold free reserves of between one and two months of the resources expended. This corresponds to between £210,000 and £420,000 when calculated based on expenditure in 2021. However, small surpluses in unrestricted funds in recent years and particularly careful husbandry of resources this year have put the NHC in a relatively good position in this respect at the time of reporting. Due to the historical way the College has been funded the trustees manage the finances at net current asset level rather than taking into account bank loans due in more than one year which are being repaid out of future surpluses.

Net current assets at 31 July 2021 are £373,202 of which £246,763 are represented by restricted funds, leaving unrestricted net current assets of £126,439 (of which £56,335 are held as designated funds). Whilst this is below the minimum free reserves level of £210,000 it is clear that the College is moving in the right direction and expects to meet the target levels by the generation of surpluses in future years.

c. Financial performance

The operating surplus for the year was £209,252 (2020: £274,803) with an actuarial gain for UK accounting purposes, which does not affect cash, of £243,000 (2020: £498,000 actuarial loss) due to periodic revaluation of pension liabilities, leading to a net surplus for the year of £452,252 (2020: £223,197 net deficit).

The total funds carried forward at the year end are £1,280,509 (2020: £828,257) of which £1,033,746 (2020: £565,087) are unrestricted and £246,763 (2020: £263,170) are restricted.

d. Pension liability

The Accounting for Pensions regulations have had an impact on the net assets position of the Charity once again. The latest actuarial valuation of the Scheme resulted in a decrease in the liability on the defined benefit pension scheme of £209k from £1.883 million to £1.674 million.

This liability is, of course, a statement of the theoretical pension liability of the Charity at the balance sheet date based upon current assumptions of future discount rates; future salary and pension increases and inflation. The liability only crystallises when members retire or in the event of the winding up of the scheme, which is highly unlikely given that it is the multi-employer South Yorkshire local Government Scheme. The scheme has been closed to new NHC employees since before 2015.

e. Principal risks and uncertainties

While the NHC's leaders view the monitoring, assessment and mitigation of risks to be an ongoing process, risk management policies are subject routinely to periodic review. Risks are categorised low, medium or high in terms of likelihood and seriousness. Modifying actions in response will transfer, treat, tolerate or terminate each risk. Every risk has a designated owner and a timeframe for actions to be taken.

The table below illustrates some of the risk areas with potentially the most serious consequences:

Risk	Likelihood	Seriousness	Modifying Actions	Owner
Safeguarding failure - staff	LOW	HIGH	TREAT DBS checks, training, supervision.	CEO
Safeguarding failure - learner	MEDIUM	HIGH	TREAT Training, supervision.	Operations Director (Safeguarding Lead)
Major IT breach	MEDIUM	HIGH	TREAT Retain comprehensive IT specialist support, backup protocols, protective measures, training.	Support Services Manager
Human disease preventing delivery/receipt of training	MEDIUM	HIGH	TREAT Awareness, preparation, training, discipline, learner vaccination mandatory.	CEO
Termination of property leases	LOW	HIGH	TOLERATE	CEO
Catastrophic fire/flood	LOW	HIGH	TREAT Dispersal of assets, backup protocols, protective measures, training.	Support Services Manager
Loss of ESFA contract	LOW	HIGH	TREAT Maintain or enhance quality of provision (OFSTED 1 or 2) while fulfilling/over-performing against contract.	CEO
Loss of BHA contract	LOW	HIGH	TREAT Retain ESFA revenue to subsidize cost to industry, fulfil/over-perform against BHA contract, respond to industry needs.	CEO
Equine disease preventing delivery of training	LOW	HIGH	TREAT Maintain situational awareness, contingency planning, training.	Training Manager
Very serious fraud	LOW	HIGH	TREAT Limits on powers of any individual, effective protocols, comprehensive checks, insurance	CEO

Structure and Governance

a. Constitution

National Horseracing College registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 19 February 1988 and is a registered charity number 700405.

b. Methods of appointment or election of Trustees

The management of the company and the group is the responsibility of the trustees who are elected and co-opted under the terms of the Articles of Association. Trustees are recruited through sector networks and approached to discuss taking on a trustee role.

c. Organisational structure and decision-making policies

The Board meets quarterly. Its business always includes a comprehensive update from the Chief Executive. Business decisions that have strategic significance are made at Board level.

Structure and Governance (continued)

There is a single standing sub-committee, the Finance Committee which is chaired by a trustee who is a very experienced accountant and business person. Attendees include the Board Chairman, the Chief Executive, the Finance Director, the Operations Director and the Support Services Manager. All major financial decisions are recommended to the Main Board where decision making occurs.

Task and Finish Groups are established for specific purposes e.g. Nominations Committee to identify a new Chairman or a selection panel to select a new Chief Executive.

All trustees, including the Chair, have fixed terms of office.

d. Policies adopted for the induction and training of Trustees

New trustees are provided with a comprehensive induction, led by the Chief Executive and involving other staff, to ensure they are provided with a comprehensive view of what the NHC does and how it does it.

All trustees are informed of trustee training opportunities organised by external bodies and encouraged to attend ones that will be valuable to them.

Informal visits by trustees are encouraged at any time to allow them to get to know the College well.

e. Pay policy for key management personnel

Trustees and senior leaders continue to recognise that the organisation's success is reliant on its team of dedicated staff. While it is College policy to pay employees at rates consistent with the wider Industry market where possible, no employee is paid less than the UK's National Living Wage. For the calendar year 2020, salaries for all staff were increased in line with inflation. Adjustments to the salaries of the College's senior leaders are made on the same basis as other employees.

Plans for future periods

The continued success of the College is linked inextricably to the health and success of racing as a whole. Trustees appreciate greatly therefore, the efforts made by the BHA, other entities and many individuals across the racing industry that have allowed racing to continue, although with limitations, despite the COVID-19 pandemic. Steps taken by central government, local authorities and the racing industry already have helped to support the College's own efforts to sustain its staff and learners through this period of global adversity. While uncertainties remain, the business has taken decisive and effective measures to preserve cash flow and increase its resilience. Therefore, trustees believe that the company has adequate resources to continue as a healthy going concern and they look forward to the future with justifiable optimism. Further details regarding the adoption of the going concern basis can be found in the Note 2 – Accounting Policies.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2021

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 including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make 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 auditor

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

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

Auditor

The auditor, BHP LLP, has indicated their willingness to continue in office. The designated trustees will propose a motion reappointing the auditor at a meeting of the trustees.

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

gerard sutcliffe
gerard sutcliffe (Mar 16, 2022 08:39 GMT)
.....
Mr Gerard Sutcliffe

Date: Mar 16, 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NATIONAL HORSERACING COLLEGE

Opinion

We have audited the financial statements of National Horseracing College (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2021 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

We have nothing to report in this regard.

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 trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the directors' report have 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Act 2011 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's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 directors' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NATIONAL HORSERACING COLLEGE (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.

Auditor's responsibilities for the audit of the financial statements

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

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.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group and parent charitable company through discussions with directors and other management, and from our commercial knowledge and experience of the charities sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and parent charitable company, including the Charities Act 2011, Companies Act 2006, quality assurance of courses, safeguarding, horse welfare, data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group and parent charitable company’s financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

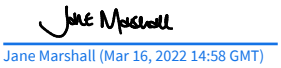
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. 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, and to the charitable company's trustees, as a body, in accordance with 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 and its trustees 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 and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jane Marshall (Senior statutory auditor)
for and on behalf of
BHP LLP
Chartered Accountants
Statutory Auditor
2 Rutland Park
Sheffield
S10 2PD

Date: Mar 16, 2022

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 JULY 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	4	**16,600**	**-**	**16,600**	45,000
Charitable activities	5	**1,075,813**	**1,526,988**	**2,602,801**	2,427,953
Other trading activities	6	**135,320**	**-**	**135,320**	122,435
Other income	7	**13,522**	**-**	**13,522**	143,385
Total income		**1,241,255**	**1,526,988**	**2,768,243**	2,738,773
Expenditure on:					
Raising funds:	8				
Voluntary income		**103,522**	**-**	**103,522**	74,453
Other trading		**83,274**	**-**	**83,274**	78,791
Charitable activities	9	**868,040**	**1,483,395**	**2,351,435**	2,287,628
Other expenditure	11	**20,760**	**-**	**20,760**	23,098
Total expenditure		**1,075,596**	**1,483,395**	**2,558,991**	2,463,970
Net income		**165,659**	**43,593**	**209,252**	274,803
Transfers between funds	22	**60,000**	**(60,000)**	**-**	-
Net movement in funds before other recognised gains/(losses)		**225,659**	**(16,407)**	**209,252**	274,803
Other recognised gains/(losses):					
Actuarial gains/(losses) on defined benefit pension schemes	29	**243,000**	**-**	**243,000**	(498,000)
Net movement in funds		**468,659**	**(16,407)**	**452,252**	(223,197)
Reconciliation of funds:					
Total funds brought forward		**565,087**	**263,170**	**828,257**	1,051,454
Net movement in funds		**468,659**	**(16,407)**	**452,252**	(223,197)
Total funds carried forward		**1,033,746**	**246,763**	**1,280,509**	828,257

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

NATIONAL HORSERACING COLLEGE

(A company limited by guarantee)
REGISTERED NUMBER: 02266267

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	16		**2,894,369**		2,857,743
			2,894,369		2,857,743
Current assets					
Stocks	18	**31,492**		35,438	
Debtors	19	**176,816**		85,353	
Cash at bank and in hand		**591,481**		551,748	
		799,789		672,539	
Creditors: amounts falling due within one year	20	**(426,587)**		(380,272)	
Net current assets			**373,202**		292,267
Total assets less current liabilities			**3,267,571**		3,150,010
Creditors: amounts falling due after more than one year	21		**(313,062)**		(438,753)
Net assets excluding pension liability			**2,954,509**		2,711,257
Defined benefit pension scheme liability	29		**(1,674,000)**		(1,883,000)
Total net assets			**1,280,509**		828,257
Charity funds					
Restricted funds	22		**246,763**		263,170
Unrestricted funds					
Designated funds	22	**56,335**		56,335	
General funds	22	**2,651,411**		2,391,752	
Unrestricted funds excluding pension liability	22	**2,707,746**		2,448,087	
Pension reserve	22	**(1,674,000)**		(1,883,000)	
Total unrestricted funds	22		**1,033,746**		565,087
Total funds			**1,280,509**		828,257

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2021

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:

gerard sutcliffe
gerard sutcliffe (Mar 16, 2022 08:39 GMT)
.....

Mr Gerard Sutcliffe
(Chair of Trustees)
Date: Mar 16, 2022

The notes on pages 23 to 54 form part of these financial statements.

NATIONAL HORSERACING COLLEGE

(A company limited by guarantee)
REGISTERED NUMBER: 02266267

COMPANY BALANCE SHEET
AS AT 31 JULY 2021

	Note		2021 £		2020 £
Fixed assets					
Tangible assets	16		**2,857,065**		2,813,642
Investments	17		**2**		2
			2,857,067		2,813,644
Current assets					
Stocks	18	**22,060**		24,412	
Debtors	19	**297,501**		157,530	
Cash at bank and in hand		**461,706**		463,325	
		781,267		645,267	
Creditors: amounts falling due within one year	20	**(408,063)**		(369,358)	
Net current assets			**373,204**		275,909
Total assets less current liabilities			**3,230,271**		3,089,553
Creditors: amounts falling due after more than one year	21		**(313,062)**		(438,753)
Net assets excluding pension liability			**2,917,209**		2,650,800
Defined benefit pension scheme liability	29		**(1,674,000)**		(1,883,000)
Total net assets			**1,243,209**		767,800

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 JULY 2021

	Note		2021 £		2020 £
Charity funds					
Restricted funds	22		**246,763**		263,170
Unrestricted funds					
Designated funds	22	**56,335**		56,335	
General funds	22	**2,614,111**		2,331,295	
Unrestricted funds excluding pension liability	22	**2,670,446**		2,387,630	
Pension reserve	22	**(1,674,000)**		(1,883,000)	
Total unrestricted funds	22		**996,446**		504,630
Total funds			**1,243,209**		767,800

The company's net movement in funds for the year was £475,409 (2020 - £(240,216)).

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:

gerard sutcliffe
gerard sutcliffe (Mar 16, 2022 08:39 GMT)

Mr Gerard Sutcliffe
(Chair of Trustees)
Date: Mar 16, 2022

The notes on pages 23 to 54 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2021

	Note	**2021** **£**	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	25	**318,849**	406,358
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		**-**	30,142
Purchase of tangible fixed assets		**(134,734)**	(75,760)
Net cash used in investing activities		**(134,734)**	**(45,618)**
Cash flows from financing activities			
Cash inflows from new borrowing		**-**	50,000
Repayments of borrowing		**(123,622)**	(74,050)
Interest paid		**(20,760)**	(23,098)
Net cash used in financing activities		**(144,382)**	**(47,148)**
Change in cash and cash equivalents in the year		**39,733**	**313,592**
Cash and cash equivalents at the beginning of the year		**551,748**	238,156
Cash and cash equivalents at the end of the year	26	**591,481**	551,748

The notes on pages 23 to 54 form part of these financial statements

1. General information

The charity is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Its registered office is The Stables, Rossington Hall, Great North Road, Doncaster, South Yorkshire, DN11 0HN.

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 issued October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

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

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2.3 Going concern

The charity, for some years, has been unable to comply with its policy to hold free reserves of between 1 and 2 months operational expenditure. Group surpluses in unrestricted funds in recent years had allowed the College to work towards adherence of the policy, however the onset of the global pandemic brought increased risk to the charity's finances.

The NHC has been fortunate to be supported by continued regular contract payments from the racing industry and some additional support recognising the significant impact that will result over the coming year to two years due to cohorts of learners which could not enter the training pipeline.

Steps taken by central government, local authorities and the racing industry already have helped to support the College's own efforts to sustain its staff and learners through this period of global adversity. Uncertainties around the pandemic still remain, but the business has taken decisive and effective measures to preserve cash flow and increase its resilience.

The Trustees have prepared forecasts of income and expenditure and cash flow for the period to 31 March 2023 which shows that they have sufficient cash to be able to continue for the foreseeable future.

2. Accounting policies (continued)

2.3 Going concern (continued)

The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

2.4 Income

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

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service. Included in other income is CJRS income which is recognised in the period for which the claim was made.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

2. Accounting policies (continued)

2.5 Expenditure (continued)

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £200 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, .

Depreciation is provided on the following bases:

Visitor centre	- Variable between 1% - 20% on a reducing balance basis
Building refurbishment	- Over the term of the lease
Leasehold land & buildings	- Over the term of the lease
Stable block	- 1% reducing balance
Plant, equipment and motor vehicles	- 10% reducing balance, 20% on cost
Gallop, menage and indoor riding school	- 5% on cost, 1% reducing balance
Assets under construction	- Not depreciated
Computer equipment	- 20 - 33% on cost

2.7 Investments

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

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2. Accounting policies (continued)

2.9 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.

2.10 Cash at bank and in hand

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

2.11 Liabilities

Liabilities and provisions 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.

2.12 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

2. Accounting policies (continued)

2.15 Pensions

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

The group operates a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

2.16 Fund accounting

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

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

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

2.17 Taxation

The company is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.18 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

3. **Critical accounting estimates and areas of judgment**

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

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The present value of the SY defined benefit pension liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net costs or income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the liability.

4. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations			
Pontefract race day income	1,600	**1,600**	-
Leger Legends income	15,000	**15,000**	45,000
	16,600	**16,600**	45,000
Total 2020	45,000	45,000	

5. Income from charitable activities

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Operation of educational and training college	10,965	1,258,163	**1,269,128**	1,223,615
ESFA	997,595	-	**997,595**	665,427
Other activity related income	23,970	-	**23,970**	51,878
Grants (see detailed breakdown below)	43,283	268,825	**312,108**	487,033
	1,075,813	1,526,988	**2,602,801**	2,427,953
Total 2020	939,355	1,488,598	2,427,953	

Grants

	2021	2020
	£	£
Big Lottery	**57,825**	57,825
Regional training grant	**50,000**	79,858
Stalls refurbishment	**-**	15,000
Commercial assistance	**-**	50,000
Racing welfare	**-**	7,250
Immersive technology	**-**	10,000
Accomodation review	**-**	40,000
The Racing Foundation	**101,000**	-
IT equipment	**30,000**	-
Racing simulator	**30,000**	-
Horsebox grant	**-**	25,000
Total restricted grants	**268,825**	284,933
Racing welfare	**16,283**	-
BHA COVID-19 support	**-**	175,100
Regional training support	**12,000**	12,000
14-16 year old programme	**15,000**	15,000
Total unrestricted grants	**43,283**	202,100
Total	**312,108**	487,033

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
NHC Trading Limited	135,320	**135,320**	122,435
Total 2020	122,435	122,435	

The charity has a wholly owned trading subsidiary, NHC Trading Limited (company number 03538751). The company was incorporated on 1 April 1998 and has issued share capital of two ordinary shares. The company gifts its taxable profits to National Horseracing College. Audited accounts are filed with Companies House.

7. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Insurance receipt	-	**-**	56,335
CJRS income	13,522	**13,522**	87,050
	13,522	**13,522**	143,385
Total 2020	143,385	143,385	

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fundraising and publicity	(100)	**(100)**	(27)
Voluntary income staff costs	103,622	**103,622**	74,480
	103,522	**103,522**	74,453
Total 2020	74,453	74,453	

Other trading expenses

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Cost of sales	68,051	**68,051**	64,706
Administration expenses	8,426	**8,426**	10,404
Depreciation	6,797	**6,797**	3,681
Total 2021	83,274	**83,274**	78,791
Total 2020	78,791	78,791	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	**Restricted funds 2021 £**	**Total funds 2021 £**	Total funds 2020 £
Operation of educational and training college	868,040	1,483,395	**2,351,435**	2,287,628
Total 2021	868,040	1,483,395	**2,351,435**	2,287,628
Total 2020	918,041	1,369,587	2,287,628	

10. Summary by expenditure category

	2021	2020
	£	£
Training costs	**128,581**	107,498
Accommodation	**419,765**	356,637
Stable yard	**148,219**	169,898
Staff costs	**694,801**	773,412
National Insurance	**97,786**	80,852
Pension costs	**103,235**	87,836
FRS 17 finance costs	**29,000**	30,000
Depreciation	**91,312**	85,261
Total direct costs	**1,712,699**	1,691,394
Administration costs	**268,664**	229,334
Staff costs	**182,341**	132,467
Total management and administration	**451,005**	361,801
Support administration costs	**58,975**	50,342
Total support costs	**58,975**	50,342
Governance costs (see note 12)	**128,756**	184,091
Overall Total	**2,351,435**	2,287,628

11. Other expenditure

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Bank and other interest	20,760	**20,760**	23,098
Total 2020	23,098	23,098	

12. Governance costs

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Auditor's remuneration	9,435	-	**9,435**	9,860
Trustees' expenses	533	-	**533**	1,344
Legal and professional	16,299	-	**16,299**	57,859
Salaries and related charges	102,489	-	**102,489**	115,028
Total 2021	128,756	-	**128,756**	184,091
Total 2020	142,341	41,750	184,091	

13. Net income/(expenditure)

This is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets owned by the group	**92,832**	76,835
Depreciation of tangible fixed assets held under finance leases	**5,276**	12,107
Auditor's remuneration- audit	**9,435**	9,860
Total	**107,543**	98,802

14. Staff costs

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Wages and salaries	**1,078,253**	1,085,387	**1,078,253**	1,085,387
Social security costs	**97,786**	80,852	**97,786**	80,852
Pension costs	**103,235**	87,836	**103,235**	87,836
Operating costs of defined benefit pension schemes	**5,000**	10,000	**5,000**	10,000
	1,284,274	1,264,075	**1,284,274**	1,264,075

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

	Group 2021 No.	Group 2020 No.
	48	46

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

	Group 2021 No.	Group 2020 No.
In the band £80,001 - £90,000	**-**	1
In the band £90,001 - £100,000	**1**	-

The total remuneration and benefits received by key management personnel including employer's NI and pension was £352,774 (2020: £287,623). The trustees consider senior management personnel to be the Chief Executive Officer, the Operations Director, the Support Services Manager, the Work Based Learning Manager, the Foundation Course Manager, the Head of Instructors and the Fundraising Manager.

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 July 2021, expenses totalling £533 were reimbursed or paid directly to 3 Trustees (2020 - £1,344 to 6 Trustees). These expenses relate to the reimbursement of travel expenses incurred by the Trustees when attending National Horseracing College Trustee meetings and events.

16. Tangible fixed assets

Group

	Visitor centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Assets under construction £	Total £
Cost or valuation									
At 1 August 2020	**816,681**	**463,619**	**1,239,582**	**652,271**	**833,164**	**515,580**	**60,013**	**-**	**4,580,910**
Additions	**-**	**-**	**-**	**-**	**4,770**	**49,397**	**34,837**	**45,730**	**134,734**
At 31 July 2021	**816,681**	**463,619**	**1,239,582**	**652,271**	**837,934**	**564,977**	**94,850**	**45,730**	**4,715,644**
Depreciation									
At 1 August 2020	**219,505**	**252,094**	**296,943**	**164,123**	**465,892**	**275,860**	**48,750**	**-**	**1,723,167**
Charge for the year	**13,169**	**3,401**	**10,314**	**6,492**	**12,249**	**38,215**	**14,268**	**-**	**98,108**
At 31 July 2021	**232,674**	**255,495**	**307,257**	**170,615**	**478,141**	**314,075**	**63,018**	**-**	**1,821,275**
Net book value									
At 31 July 2021	**584,007**	**208,124**	**932,325**	**481,656**	**359,793**	**250,902**	**31,832**	**45,730**	**2,894,369**
At 31 July 2020	597,176	211,525	942,639	488,148	367,272	239,720	11,263	-	2,857,743

16. Tangible fixed assets (continued)

Company

	Visitor centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Assets under construction £	Total £
Cost or valuation									
At 1 August 2020	**816,681**	**463,619**	**1,235,441**	**652,271**	**833,164**	**394,245**	**60,013**	**-**	**4,455,434**
Additions	**-**	**-**	**-**	**-**	**4,770**	**49,397**	**34,837**	**45,730**	**134,734**
At 31 July 2021	**816,681**	**463,619**	**1,235,441**	**652,271**	**837,934**	**443,642**	**94,850**	**45,730**	**4,590,168**
Depreciation									
At 1 August 2020	**219,505**	**252,094**	**296,035**	**164,123**	**465,892**	**195,393**	**48,750**	**-**	**1,641,792**
Charge for the year	**13,169**	**3,401**	**10,231**	**6,492**	**12,249**	**31,501**	**14,268**	**-**	**91,311**
At 31 July 2021	**232,674**	**255,495**	**306,266**	**170,615**	**478,141**	**226,894**	**63,018**	**-**	**1,733,103**
Net book value									
At 31 July 2021	**584,007**	**208,124**	**929,175**	**481,656**	**359,793**	**216,748**	**31,832**	**45,730**	**2,857,065**
At 31 July 2020	597,176	211,525	939,406	488,148	367,272	198,852	11,263	-	2,813,642

17. Fixed asset investments

Company	**Investments in subsidiary companies £**
Cost or valuation	
At 1 August 2020	**2**
At 31 July 2021	**2**
Net book value	
At 31 July 2021	**2**
At 31 July 2020	2

National Horseracing College owns 100% of the ordinary share capital of its trading subsidiary, NHC Trading Limited, a company incorporated in England and Wales.

17. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	Company number	Registered office or principal place of business	Class of shares	Holding
NHC Trading Limited	03538751	The Stables, Rossington Hall, Great North Road, Doncaster, DH11 0HN	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
NHC Trading Limited	**135,320**	**(133,189)**	**2,131**	**37,302**

18. Stocks

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Finished goods	**31,492**	35,438	**22,060**	24,412

19. Debtors

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Trade debtors	**108,016**	54,197	**93,980**	49,909
Amounts owed by group undertakings	**-**	-	**134,721**	76,465
Other debtors	**877**	4,729	**877**	4,729
Prepayments and accrued income	**67,923**	26,427	**67,923**	26,427
	176,816	85,353	**297,501**	157,530

20. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Bank loans	**64,268**	61,440	**64,268**	61,440
Trade creditors	**154,846**	69,971	**142,449**	63,210
Other taxation and social security	**40,012**	29,867	**34,914**	26,744
Obligations under finance lease and hire purchase contracts	**8,695**	9,454	**8,695**	9,454
Other creditors	**158,766**	209,540	**157,737**	208,510
	426,587	380,272	**408,063**	369,358

The hire purchase contract is secured against the asset to which it relates.

21. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Bank loans	**311,963**	432,257	**311,963**	432,257
Net obligations under finance lease and hire purchase contracts	**1,099**	6,496	**1,099**	6,496
	313,062	438,753	**313,062**	438,753

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Repayable by instalments	**165,000**	181,026	**165,000**	181,026
	165,000	181,026	**165,000**	181,026

Bank loans and overdrafts are secured by way of a first legal charge over the assets and undertakings of the charity, including the Residential Centre, Rossington Hall, Great North Road, Doncaster.

Bank loans are repaid monthly over the term of the loan. Interest is payable at a fixed rate of 5.955%. Interest on any bank overdrafts is payable at 5.55% above base rate.

22. Statement of funds

Statement of funds - current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
Unrestricted funds						
Designated funds						
College improvements	**56,335**	**-**	**-**	**-**	**-**	**56,335**
General funds						
General funds	**2,331,295**	**1,105,935**	**(908,407)**	**85,288**	**-**	**2,614,111**
Reserves held in subsidiary	**60,457**	**135,320**	**(133,189)**	**(25,288)**	**-**	**37,300**
Pension reserve	**(1,883,000)**	**-**	**(34,000)**	**-**	**243,000**	**(1,674,000)**
	508,752	**1,241,255**	**(1,075,596)**	**60,000**	**243,000**	**977,411**
Total Unrestricted funds	**565,087**	**1,241,255**	**(1,075,596)**	**60,000**	**243,000**	**1,033,746**
Restricted funds						
Horseracing grant scheme	**60,000**	**-**	**(2,000)**	**-**	**-**	**58,000**
Regional training grant	**64,175**	**141,000**	**(126,494)**	**-**	**-**	**78,681**
Horsebox grant	**25,000**	**-**	**-**	**-**	**-**	**25,000**
Big Lottery funding	**57,825**	**57,825**	**(86,738)**	**-**	**-**	**28,912**
Peter O'Sullivan Trust - Lunge pen	**48,125**	**-**	**-**	**-**	**-**	**48,125**
The Racing Foundation- Lunge pen	**8,045**	**-**	**-**	**-**	**-**	**8,045**
BHA & HBLB programmes	**-**	**1,258,163**	**(1,258,163)**	**-**	**-**	**-**

22. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
Peter O'Sullivan - simulator	-	**30,000**	-	**(30,000)**	-	-
IT Grant	-	**30,000**	-	**(30,000)**	-	-
MIS compliance manager	-	**10,000**	**(10,000)**	-	-	-
	263,170	**1,526,988**	**(1,483,395)**	**(60,000)**	-	**246,763**
Total of funds	**828,257**	**2,768,243**	**(2,558,991)**	-	**243,000**	**1,280,509**

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Unrestricted funds						
Designated funds						
College improvements	-	56,335	-	-	-	56,335
General funds						
General funds	2,194,997	1,071,405	(966,455)	31,348	-	2,331,295
Reserves held in subsidiary	43,438	122,435	(87,928)	(17,488)	-	60,457
Pension reserve	(1,345,000)	-	(40,000)	-	(498,000)	(1,883,000)
	893,435	1,193,840	(1,094,383)	13,860	(498,000)	508,752
Total Unrestricted funds	893,435	1,250,175	(1,094,383)	13,860	(498,000)	565,087
Restricted funds						
Horseracing grant scheme	60,000	-	-	-	-	60,000
Regional training grant	27,269	79,858	(42,952)	-	-	64,175
Immersive technology	-	10,000	(10,000)	-	-	-
Stalls refurbishment	-	15,000	(15,000)	-	-	-
Racing welfare	580	7,250	(7,830)	-	-	-
Horsebox grant	-	25,000	-	-	-	25,000
Commercial assistance	-	50,000	(50,000)	-	-	-
Big Lottery funding	-	57,825	-	-	-	57,825

22. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Peter O'Sullivan Trust - Lunge pen	48,125	-	-	-	-	48,125
The Racing Foundation- Lunge pen	8,045	-	-	-	-	8,045
Accomodation review	-	40,000	(40,000)	-	-	-
Peter O'Sullivan Trust - Fitness facility	14,000	-	(140)	(13,860)	-	-
BHA & HBLB programmes	-	1,203,665	(1,203,665)	-	-	-
	158,019	1,488,598	(1,369,587)	(13,860)	-	263,170
Total of funds	1,051,454	2,738,773	(2,463,970)	-	(498,000)	828,257

Restricted Funds

The funds of the charity include restricted funds comprising the following unexpended balances of grants and donations held on trust to be applied for specific purposes:

The Horseracing grant scheme represents a contribution from the British Horseracing Authority towards the costs of the construction of the ground floor of what will become the College's proposed new accommodation block, the construction of this has not begun.

The regional training grant represents grants received from the Racing Foundation under its 'People Development' initiative to provide Rider coaching sessions, simulator training and theoretical coaching for the racing Community.

Horsebox grant - to fund a new horsebox.

Big Lottery **-** Youth engagement support - grant to provide additional support to disadvantaged learners.

The lunge pen grant are two grants, one from The Peter O'Sullivan Trust and one from The Racing Foundation to create a new lunge pen for the horses, included in the building of the lunge pen is a new racehorse simulator.

The BHA & HBLB programmes fund is money received from the British Horseracing Association in order for the college to deliver it's courses and help with the day to day running of the facility.

Peter O'Sullivan simulator is a grant from the POS Charitable Trust to assist the Charity to purchase a new Racing Simulator which is a significant upgrade to its existing provision.

IT Grant is a Grant from BHA to help NHC to finance a major upgrade to its IT infrastructure. The new facilities improve both provision to Learners and to the administration of the Charity.

MIS compliance manager is a grant from the Racing Foundation to contribute to the Salary of the Contract Coordinator to assist in ensuring the maximum subsidy from Government funds to the costs of the Charity.

Immersive technology - for new technology purchases.

Stalls refurbishment - to fund refurbishment to the stalls.

Racing welfare fund the life skills programme which seeks to provide skills to learners to help them become resillient and effective communicators who are equipped for independent living.

Commercial assistance is in relation to a three year project to fund the recruitment and employment of a Business Development Manager to assist in the generation of additional commercial revenues.

The accomodation review grant was a grant in order to fund someone to come in and review the residential facilities at the college in order to prioritise what areas needed improvement and where savings can be made whilst improving the accomodation facilities.

Transfer between funds
A transfer has been made from restricted funds to unrestricted funds for capital expenditure where the conditions of the funding have been fulfilled.

23. Summary of funds

Summary of funds - current year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
Designated funds	**56,335**	**-**	**-**	**-**	**-**	**56,335**
General funds	**508,752**	**1,241,255**	**(1,075,596)**	**60,000**	**243,000**	**977,411**
Restricted funds	**263,170**	**1,526,988**	**(1,483,395)**	**(60,000)**	**-**	**246,763**
	828,257	**2,768,243**	**(2,558,991)**	**-**	**243,000**	**1,280,509**

Summary of funds - prior year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Designated funds	-	56,335	-	-	-	56,335
General funds	893,435	1,193,840	(1,094,383)	13,860	(498,000)	508,752
Restricted funds	158,019	1,488,598	(1,369,587)	(13,860)	-	263,170
	1,051,454	2,738,773	(2,463,970)	-	(498,000)	828,257

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,894,369	-	**2,894,369**
Current assets	553,026	246,763	**799,789**
Creditors due within one year	(426,587)	-	**(426,587)**
Creditors due in more than one year	(313,062)	-	**(313,062)**
Provisions for liabilities and charges	(1,674,000)	-	**(1,674,000)**
Total	1,033,746	246,763	**1,280,509**

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,857,743	-	2,857,743
Current assets	409,369	263,170	672,539
Creditors due within one year	(380,272)	-	(380,272)
Creditors due in more than one year	(438,753)	-	(438,753)
Provisions for liabilities and charges	(1,883,000)	-	(1,883,000)
Total	565,087	263,170	828,257

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

	Group 2021 £	Group 2020 £
Net income for the year (as per Statement of Financial Activities)	**209,252**	274,803
Adjustments for:		
Depreciation charges	**98,108**	87,664
(Increase)/decrease in stocks	**3,946**	(4,035)
Increase in debtors	**(92,223)**	(49,831)
Increase in creditors	**45,006**	34,659
Interest paid	**20,760**	23,098
Defined benefit pension adjustment	**34,000**	40,000
Net cash provided by operating activities	**318,849**	406,358

26. Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £
Cash in hand	**591,481**	551,748
Total cash and cash equivalents	**591,481**	551,748

27. Analysis of changes in net debt

	At 1 August 2020 £	Cash flows £	At 31 July 2021 £
Cash at bank and in hand	**551,748**	**39,733**	**591,481**
Debt due within 1 year	**(61,440)**	**(2,828)**	**(64,268)**
Debt due after 1 year	**(432,257)**	**120,294**	**(311,963)**
Finance leases	**(15,950)**	**6,156**	**(9,794)**
	42,101	**163,355**	**205,456**

28. Capital commitments

	Group 2021 £	Group 2020 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	**38,000**	-

29. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge includes contributions payable by the company to the fund and amounted to £47,235 (2020: £28,836). Contributions totalling £2,035 (2020: £3,391) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefit pension scheme.

National Horseracing College is a member of the South Yorkshire Pension scheme which is a multi-employer pension scheme providing benefits on final pensionable pay. The assets of the scheme are held separately from those of National Horseracing College. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with National Horseracing College. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

A full actuarial valuation was carried out as at 31 March 2019 and to the 31 July 2021 specifically for the college by Mercer Human Resource Consulting Limited.

The contributions made for the year ended 31 July 2021 were £56,000 (2020: £59,000).

At the balance sheet date there were outstanding contributions payable of £4,497 (2020: £2,700).

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 July 2021 %	At 31 July 2020 %
Discount rate	**1.60**	1.60
Future salary increases	**3.85**	3.55
Future pension increases	**2.70**	2.40
Inflation assumption	**2.60**	2.30

	At 31 July 2021 Years	At 31 July 2020 Years
Mortality rates (in years)		
- for a male aged 65 now	**22.5**	22.4
- at 65 for a male aged 45 now	**24.0**	23.9
- for a female aged 65 now	**25.3**	25.2
- at 65 for a female aged 45 now	**27.2**	27.1

29. Pension commitments (continued)

The Group's share of the assets in the scheme was:

	At 31 July 2021 £	At 31 July 2020 £
Equities	**1,593,000**	1,322,000
Government bonds	**465,000**	446,000
Other bonds	**252,000**	254,000
Property	**292,000**	240,000
Cash and other liquid assets	**60,000**	117,000
Other	**657,000**	480,000
Total fair value of assets	**3,319,000**	2,859,000

The actual return on scheme assets was £463,000 (2020 - £-33,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2021 £	2020 £
Current service cost	**60,000**	65,000
Past service cost	**(55,000)**	3,000
Interest income	**(46,000)**	(65,000)
Interest cost	**75,000**	95,000
Administrative expenses	**1,000**	1,000
Total amount recognised in the Consolidated Statement of Financial Activities	**35,000**	99,000

29. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2021
	£
Opening defined benefit obligation	**4,742,000**
Current service cost	**60,000**
Interest cost	**75,000**
Contributions by scheme participants	**10,000**
Actuarial losses	**175,000**
Benefits paid	**(69,000)**
Closing defined benefit obligation	**4,993,000**

Movements in the fair value of the Group's share of scheme assets were as follows:

	2021
	£
Opening fair value of scheme assets	**2,859,000**
Expected return on assets	**46,000**
Actuarial gains/(losses)	**418,000**
Contributions by employer	**56,000**
Contributions by scheme participants	**10,000**
Benefits paid	**(69,000)**
Administration expenses	**(1,000)**
Closing fair value of scheme assets	**3,319,000**

Amounts for the current and previous period for the defined benefit pension schemes are as follows:

	2021	2020
	£	£
Defined benefit obligation	**(4,993,000)**	(4,742,000)
Scheme assets	**3,319,000**	2,859,000
Deficit	**(1,674,000)**	(1,883,000)
Experience adjustments on scheme liabilities	**(175,000)**	(343,000)
Experience adjustment on scheme assets	**418,000**	(155,000)

30. Operating lease commitments

At 31 July 2021 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Not later than 1 year	**1,643**	3,051	**1,643**	3,051
Later than 1 year and not later than 5 years	**1,980**	2,930	**1,980**	2,930
	3,623	5,981	**3,623**	5,981

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 2021 £	Group 2020 £	**Company 2021 £**	Company 2020 £
Operating lease rentals	**18,902**	15,353	**18,902**	15,353

31. Related party transactions

During the year purchases were made from NHC Trading Limited (a wholly owned trading subsidiary) totalling £2,896 (2020: £6,663). Management charges of £49,915 were made in the year to NHC Trading Limited (2020: £9,137). At the year end £134,721 (2020: £76,465) was due from NHC Trading Limited.

32. Controlling party

The Trust is a charity limited by guarantee and is therefore ultimately controlled by the Trustees.

National Horseracing College Limited

England & Wales - Charity number 700405

Accounts

Registered number: 02266267
Charity number: 700405

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

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NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2020

Trustees

Mr Gerard Sutcliffe, Chairman
Mr Howard Wright, Deputy Chairman
Mr Timothy Adams MBE
Mr Timothy Lyle
Mr James Hetherton
Mr Jeffrey Ennis
The Honourable Oliver Greenall
Mr Christopher Mallinson (resigned 13 December 2020)
Ms Susannah Cordelia Gill
Ms Nicola Frampton
Ms Sally Iggulden
Mr N Brewster

Company registered number

02266267

Charity registered number

700405

Registered office

The Stables, Rossington Hall, Great North Road, Doncaster, South Yorkshire, DN11 0HN

Patron

Countess of Halifax

Chief executive officer

Mr Stephen Padgett OBE

Independent auditor

BHP LLP, 2 Rutland Park, Sheffield, S10 2PD

Bankers

Yorkshire Bank, 19 St Sepulchre Gate, Doncaster, DN1 1TD

Solicitors

Jordans, 4 Priory Place, Doncaster, DN1 1BP

Pension Administrators

South Yorkshire Pensions Authority, P O Box 37, Regent Street, Barnsley, S70 2PQ

Vice Presidents

Mr Colin Wedd (deceased January 2020)
Mr Martin Crawshay
Mr Sandy Struthers
Sir Robert Ogden CBE LLD
Monsieur Didier Garnier
Mr Roy Thwaites
Mr Gordon Gallimore
The Rt Hon Richard Caborn
Ms Julie Krone

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2020

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 July 2020. 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

The objects of the charity are to advance education, particularly among young persons, and to relieve the need of unemployed persons by the provision of vocational and academic training connected with the horse racing, equestrian, agricultural, horticultural and their allied areas.

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. Strategies for achieving objectives

- Provide accessible and inclusive training opportunities for people wanting to work in the horse racing industry.
- Ensure training is realistic and relevant but delivered progressively to develop learners to be ready for work.
- Provide a supportive, encouraging environment around that training enabling as many learners as possible to achieve their goals.
- Engage widely and collaboratively with employers across the industry to maximise learners’ chances of gaining and keeping paid employment.
- Promote constructive behaviours and positive attitudes in all that we do.
- Make the very best of resources available to optimise the College’s contribution to public benefit.

c. Activities undertaken to achieve objectives

- Recruit widely and remove as many barriers as possible that could deter potential learners.
- Provide bursaries and other practical support to ensure those with limited resources can access training opportunities.
- Provide intensive residential Foundation Courses covering a comprehensive syllabus that prepares them for the jobs that are available.
- Deliver life skills training to increase learners’ resilience, confidence and independence.
- Match learners with the most appropriate employment opportunities to optimise their chances of satisfaction and success.
- Provide ongoing support in the workplace to enable further learner development (apprenticeships) and aid worker retention.

Objectives and activities (continued)

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

The Trustees confirm they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing its aim and objectives and in planning our future activities. In particular, the Trustees consider its investment into its chosen workstreams of Workforce and Community Investment contribute towards its objectives through providing a public benefit.

The National Horseracing College (NHC) is the only specialist training provider to the horse racing industry in the north of England and one of only two in the United Kingdom. The College offers a variety of training courses designed to meet industry needs. It has a reputation for delivering high quality staff, many of whom go on to have long careers in a wide variety of roles in racing.

Achievements and performance

a. Review of activities

In accordance with its plans and as reported in last year's report, the College changed its title to The National Horseracing College (NHC) with effect from 1 August 2019. This new title describes much more appropriately the College's status, its customer base and its perspective. The change was implemented 35 years after the College's founding under its first title as The South Yorkshire Apprentice Racing Training School.

This report covers an extraordinary period for the College, the racing industry, our Nation and the world due to the severe effects of the COVID-19 coronavirus pandemic. Through the first part of this reporting period, the optimism, growth and general progress that characterised the years since 2015 continued. Indicators of success included continued improvements in the College's financial position, investment in its equipment and facilities and the fact that, in the calendar year 2019, it delivered over 20,000 person training days, more than in any year since it opened in 1984. Justifiable optimism underpinned the College's view of its future and its decision making.

In March 2020, everything changed when the UK Government imposed a National lockdown to limit the damage of COVID-19. While the consequences of the coronavirus pandemic will continue to be felt for years to come, this report is written in the confident expectation that the robust, timely and effective actions of the NHC's leaders have not only protected the College from what could have been an existential threat but have positioned it to continue to succeed through and beyond these extraordinary and deeply challenging times. In addition, Trustees wish to register their appreciation for the very supportive positions adopted by partners in the industry, the flexibility and resilience of the College's staff and the patient stoicism of learners.

Study Programmes
The NHC study programmes fall into the categories of the horseracing industry Foundation Courses (FC) and general equine Doncaster Equine College (DEC) Programme.

The residential Foundation Course programme of 12 weeks duration is followed by a 6 week work placement planned with an employer. The significant majority of learners this year were 16-18 year olds but a small number of 19+ learners attended also. Learners follow an intensive curriculum to prepare them for the world of work that includes social development skills covering employability, cooking, resilience, self-belief, time management skills and preparation for functional skills at different levels. They learn a range of other additional skills such as transportation of horses and emergency first aid.

A total of 76 learners celebrated their success at graduation ceremonies, latterly these had to take place over Zoom to

Achievements and performance (continued)

allow parents, friends and carers to be involved. Parent/carer feedback about the personal development and improved behaviour of their children is extraordinarily positive. While it is intended that as many as possible of those who graduate from the Foundation Course go into work placement and then apprenticeship, there was a slight and anticipated decline in learners moving to positive destinations during this reporting period due to the disruption caused by the pandemic.

Qualifications include L1 Diploma in Racehorse Care and Riding, L1 Diploma in Work-Based Horse Care, Entry 3 Award in Basic Knowledge of the Horseracing Industry for the FC and L1, 2 & 3 Horse Care Certificates and Diplomas for DEC. Functional skills are included – also GCSEs for some learners. This has been a particularly challenging year due to COVID-19 and several cohorts were put on hold for a short period. Residential students were required to stay on site without access to visitors for certain periods and this caused a degree emotional distress for some students.

Functional English (72.9%) and Mathematics (81.0%) results are good considering the starting points of learners. GCSE achievement rates are English (100%) and Mathematics (60%) albeit with very small numbers.

A means of establishing the starting points of learners in more depth has shown a clear correlation between those starting points and retention and achievement rates. The challenges for 2019/2020 cohorts are illustrated by the following statistics:

- 40% have received counselling or had a support worker
- 30% have a self-stated learning difficulty
- 27% consider they have a mental health problem
- 13% did not complete school
- 12% have an EHCP (Education, Health & Care Plan)
- 9% were fostered/in care/adopted
- 7% have a self-stated physical health problem
- 5% have a self-stated disability

The extent of disadvantage among learners entering the College has increased but dedicated staff continue to enable students to improve achievements and progressions. Despite other difficulties, the College's approach this year led to the retention rate for all age groups on the Foundation Course reaching an extraordinarily impressive 93%, the highest for at least a decade.

Apprenticeships

The curriculum offer in 2019/2020 comprised Level 2 and Level 3 apprenticeships in racehorse care and management. There were 113 learners in learning overall, a reduction on the previous year. Additional non-racing apprenticeships continue to be offered.

Achievement levels have declined on previous years due to COVID-19 and the difficulties around arranging end point assessments (EPA) in 2020. Overall achievement in 2019/2020 was 75% compared to the previous year of 91%. Although a notable drop, results still are 10% higher than the national average. Level 3 apprentices achieved at 86% whilst Level 2 apprentices achieve at 69%.

In the transition from Apprenticeship Frameworks to new Standards, NHC challenged the awarding organisation to enable flexible end-point assessments as a result of the COVID-19 restrictions. Impressively, 100% of apprentices who transitioned to the new Apprenticeship Standards and completed EPA achieved the qualification standard and two achieved distinctions.

The transition to new Standards for the racing industry has seen additional qualifications offered to Equine Groom Apprentices including emergency first aid, transporting horses by road on short/long journeys and level 2 functional skills. Learners and their supervisors are encouraged to take the BHA accredited industry specific safeguarding learning

Achievements and performance (continued)

programme.

The support for learners transitioning from FC to their work placements has increased, with consequent improvement in progressions to apprenticeships. Every effort is made to ensure learners are matched successfully to employers and this is paying dividends in terms of retention. Learners on apprenticeships are employed in line with a national wage scale sanctioned by the British Horseracing Authority, which exceeds Apprenticeship wage requirements. Most learners are on apprenticeships for up to 18 months. Not every placement will be totally satisfactory and if learners really do need a different environment, NHC works hard to help find alternatives and maintains close contact to retain the learner in learning.

Priorities, Activities and Achievements
Constant priorities around safeguarding and our duty of care to learners on residential courses, learners in the workplace and to staff took a new twist with the emergence of the COVID-19 threat during this year. Significant efforts were made to learn rapidly about available, effective COVID safety measures, adapting protocols shown to be successful in other environments to the specific situation at the NHC. Clearly, a very high priority also was to ensure the viability of the business. Urgent, complex and comprehensive financial modelling informed vitally important, time-sensitive decisions. Detailed analysis and forecasting also allowed the impact of the pandemic to be assessed and then described clearly to inform decision-making by external entities looking for most appropriate ways to support the racing industry through the crisis. Management decisions around operational activities were successful in preserving cash in the business by, for example, reducing outgoings, re-scheduling works and making optimal use of the Government's job retention (furlough) scheme. Meanwhile, managers and all staff whose duties allowed, transitioned swiftly and remarkably successfully to remote working to reduce the risks to residential learners and to those staff who had to be on site to do their jobs.

Marketing and Recruiting
Additional resources put into this area over recent years seem to be reaping benefits in terms of increased expressions of interest, increased engagement through social media and increased applications for attendance on the FC. It is too early to tell if the consequences for the wider national economy of the pandemic or even the consequences of Brexit may affect numbers seeking jobs in the racing industry or the number of jobs on offer. However, marketing and recruiting efforts continue apace as the industry as a whole had a significant shortfall of staff pre-pandemic and, even if some contraction occurs, there was plenty of ground to make up and the NHC has to support that effort.

Fundraising and Commercial Activities
These activities had been continuing on a steadily improving track this year, with fundraising doing notably well. However, COVID-19 put paid to many of the plans and otherwise reasonable expectations for the second half of the year. Facilities could not be let, grant making bodies shifted many of their targets for donations elsewhere and opportunities to engage the public virtually ceased. Innovative ideas are being developed for the future but had not had meaningful impact in the financial year to which this report applies.

Infrastructure and Equipment
The early months of this period saw continued progress towards addressing identified infrastructure shortcomings. The onset of the pandemic and the urgent requirement for adaptations to residential accommodation and other infrastructure saw a variety of rapid transformations. Much of the work to turn twin rooms into singles, to change the use of other rooms into bedrooms and increase classrooms to allow social distancing during classes was carried out by the NHC's own maintenance team, at remarkably low cost and with great success.

Achievements and performance (continued)

Early in 2020, the NHC's landlord announced that the land the College holds on a 99 year lease (to 2095), which is approximately half of the area occupied by the NHC but upon which the majority of its built infrastructure is sited, was to be offered for sale at an asking price of £1.5m. Efforts by the College to identify the means by which the College might become the owner of its freehold were unsuccessful. It is unclear what will be the outcome of the sale but Trustees are entirely confident in the security of the College's lease and do not foresee the transfer of ownership posing any meaningful threat to the enterprise but hope it might present opportunities for future improvements.

Financial review

a. Going concern

The charity, for some years, has been unable to comply with its policy to hold free reserves of between 1 and 2 months operational expenditure. Small surpluses in unrestricted funds in recent years had allowed the College to work towards adherence of the policy, however the onset of the global pandemic brought increased risk to the charity's finances.

The NHC has been fortunate to be supported by continued regular contract payments from the racing industry and some additional support recognising the significant impact that will result over the coming year to two years due to cohorts of learners which could not enter the training pipeline.

Steps taken by central government, local authorities and the racing industry already have helped to support the College's own efforts to sustain its staff and learners through this period of global adversity. While the pandemic is not yet over, uncertainties remain, but the business has taken decisive and effective measures to preserve cash flow and increase its resilience.

The Trustees have prepared forecasts of income and expenditure and cash flow for the period to 28 February 2022 which shows that they have sufficient cash to be able to continue for the foreseeable future.

The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

b. Reserves policy

For some years, the College has been unable to comply with its policy to hold free reserves of between one and two months of the resources expended. However, small surpluses in unrestricted funds in recent years had allowed the College at least to begin to work towards adherence which continues to be its aspiration (£200k to £400k in 2019/20). The onset of the global pandemic highlighted the need for any business to maintain a reserve. The NHC has been fortunate to be supported by continued regular contract payments from the racing industry and some additional support recognising the significant impact that will result over the coming year to two years due to cohorts of learners which could not enter the training pipeline. Management decisions have, very determinedly, sought to preserve liquidity in the business to allow it successfully to weather a storm that has yet to impact fully but which most certainly will over the next one or two financial years.

c. Financial performance

The College's financial circumstances have continued to improve from the positions in which it found itself in 2015 and 2016. Justifiable optimism has continued therefore, to underpin the College's view of its future and its decision making.

The racing industry's commitment to the vital role played by the College have continued to be manifest in the payments it has made for the training it has provided. Both the BHA and the Horserace Betting Levy Board (HBLB) have declared their determined desire to continue to commit similar resources to people training and development in the industry despite expectations of somewhat reduced revenue to the industry overall.

The NHC's own revenue generation efforts have continued to develop and add important resources to support its outputs. Meanwhile, there has been no let-up in our determination to maintain or even improve the leanness and efficiency of operations to make the best of what we have.

Government funding continues to be an important source of income despite reductions described in previous years' reports. Income shortfalls due to changes in the apprenticeship system have not turned out to be as bad as we feared. The College continues to draw down every bit of Government money that is available legitimately to offset the cost of training activities to the industry. Ongoing strenuous efforts have been made to help the industry understand the situation have led to increasing acceptance that, to sustain the vital contribution of its training providers, racing has to fill the gap between Government subsidies and the cost of provision.

The operating surplus for the year was £274,803 (2019: £29,819) but has to show an actuarial loss for UK accounting purposes, which doesn't affect cash, of £498,000 (2019: £484,000) due to periodic revaluation of pension liabilities leading to a net deficit for the year of £223,197 (2019: £454,181).

Total funds carried forward at the year end are £828,257 (2019: £1,051,454) of which £565,087 (2019: £893,435) are unrestricted and £263,170 (2019: £158,019) are restricted.

d. Pension liability

The Accounting for Pensions regulations have once again had a significant impact on the net assets position of the charity. The latest actuarial valuation of the scheme resulted in an increase in the liability of the defined benefit pension scheme of £538k, from £1.345 million to £1.883 million. There was a similar charge (£545k) in the 2019 accounts resulting in the net funds of NHC reducing by £1,083k in the past two years as a consequence of these pension valuations.

This liability is, of course, a statement of the theoretical pension liability of the charity at the balance sheet date based upon current assumptions of future discount rates; future salary and pension increases and inflation. The liability only crystallises when members retire or in the event of the winding up of the scheme, which is highly unlikely given that it is the multi-employer South Yorkshire Local Government Scheme. No new NHC employees have been added to the Pension Scheme since before 2015.

e. Principal risks and uncertainties

The College's assessment and mitigation of risk include very careful attention to all aspects of safeguarding. All other risk management policies are subject to periodic review. The Trustees give very careful attention to risk management. Details of the risks which have a potentially significant impact on the college and how these are managed by the trustees are set out below.

Destruction of facilities - Trustees ensure that all necessary insurance cover is in place.

Loss of major contracts - Trustees ensure that constant attention and effort are given to sustaining the excellence of NHC's training/education provision and its responsiveness to the requirements of Government and the needs of the industry so that high demand for training is sustained.

OFSTED - The most recent Ofsted inspection in 2016 resulted in a Grade 2 with Grade 1 elements. Trustees ensure and some participate in the College's annual, formal, externally facilitated self-assessment (SAR). It identifies further improvement opportunities and any emerging shortcomings in order that standards are maintained at the very least and enhanced if possible.

Significant safeguarding problems - Trustees are aware that the racing industry as a whole and the NHC within it have moved forward proactively and successfully to reduce both the likelihood of safeguarding problems, their frequency and to deal effectively and very promptly with them when they do occur. Every member of staff, whether employed or volunteer, full or part time, undergoes thorough DBS checks, ongoing safeguarding training is mandatory and systems are in place to reduce to the lowest possible level the scope for problems. The confidential alert and helpline introduced in 2017, utilising a sophisticated but totally accessible SMS platform, is available to all learners at College or in their places of work around the industry.

Significant outbreak of equine disease - Trustees are confident that contagion control measures exist and have been rehearsed. However, if disease were to break out, Trustees are confident that operations would continue but scaled back to allow affected animals to be segregated until the disease was eliminated.

Departure of key staff members - Trustees are confident that, in an operation of this modest scale key staff have visibility of others' roles and responsibilities making the business resilient to temporary gaps.

All other risks - Trustees are briefed where necessary on other risks and are confident that all are managed through routine processes below Board level.

Structure, governance and management

a. Constitution

National Horseracing College (Formerly Northern Racing College) registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 19 February 1988 and is a registered charity number 700405.

b. Methods of appointment or election of Trustees

The management of the company and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

Structure, governance and management (continued)

c. Organisational structure and decision-making policies

The Board meets quarterly. Its business always includes a comprehensive update from the Chief Executive. Business decisions that have strategic significance are made at Board level.

There is a single standing sub-committee, the Finance Committee which is chaired by a Trustee who is a very experienced accountant and business person. Attendees include the Board Chairman, the Chief Executive, the Finance Director, the Operations Director and the Support Services Manager. All major financial decisions are recommended to the Main Board where decision making occurs.

Task and Finish Groups are established for specific purposes e.g. Nominations Committee to identify a new Chairman or a selection panel to select a new Chief Executive.

All Trustees, including the Chair, have fixed terms of office.

d. Policies adopted for the induction and training of Trustees

New Trustees are provided with a comprehensive induction, led by the Chief Executive and involving other staff, to ensure they are provided with a comprehensive view of what the NHC does and how it does it.

All Trustees are informed of Trustee training opportunities organised by external bodies and encouraged to attend ones that will be valuable to them.

Informal visits by Trustees are encouraged at any time to allow them to get to know it well.

e. Pay policy for key management personnel

Trustees and senior leaders continue to recognise that the organisation's success is reliant on its team of dedicated staff. While it is College policy to pay employees at rates consistent with the wider Industry market where possible, the UK's National Living Wage is the lowest level at which any employee is paid. In late December 2019, salaries for all staff were increased in line with inflation and a small bonus was paid, linked directly to length of service and without regard to appointment or salary but with a cap and collar applied. Adjustments to the salaries of the College's senior leaders are made on exactly the same basis as all other employees..

The College's senior leadership team comprises the Chief Executive; Operations Director; Support Services Manager; Work Based Learning Manager; Foundation Course Manager and Fundraising Manager.

Plans for future periods

The continued success of the College is linked inextricably to the health and success of racing as a whole. Trustees appreciate greatly therefore, the efforts made by the BHA, other entities and many individuals across the racing industry that have allowed racing to continue, although with limitations, despite the COVID-19 pandemic. Steps taken by central government, local authorities and the racing industry already have helped to support the College's own efforts to sustain its staff and learners through this period of global adversity. While the pandemic is not yet over, uncertainties remain but the business has taken decisive and effective measures to preserve cash flow and increase its resilience. Therefore, Trustees believe that the company has adequate resources to continue as a healthy going concern and they look forward to the post-COVID future, delivering its core objectives, with justifiable optimism.

Statement of Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make 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 auditor

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

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

Auditor

The auditor, BHP LLP, has indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditor at a meeting of the Trustees.

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

Gerard Sutcliffe (Mar 9, 2021 15:54 GMT)

.....

Mr Gerard Sutcliffe
(Chair of Trustees)
Date: Mar 9, 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

Opinion

We have audited the financial statements of National Horseracing College (Formerly Northern Racing College) (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 July 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

We 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 Trustees' Report (incorporating the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Act 2011 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's 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 Directors' Report and from the requirement to prepare a Strategic Report.

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.

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.

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

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,in accordance with 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 and its trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jane Marshall

Jane Marshall (Mar 9, 2021 16:27 GMT)

Jane Marshall (Senior statutory auditor)
for and on behalf of
BHP LLP
Chartered Accountants
Statutory Auditor
2 Rutland Park

Sheffield
S10 2PD

Date: Mar 9, 2021

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 JULY 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	**45,000**	**-**	**45,000**	65,150
Charitable activities	5	**939,355**	**1,488,598**	**2,427,953**	2,154,681
Other trading activities	6	**122,435**	**-**	**122,435**	149,783
Other income	7	**143,385**	**-**	**143,385**	-
Total income		**1,250,175**	**1,488,598**	**2,738,773**	2,369,614
Expenditure on:					
Raising funds:	8				
Voluntary income		**74,453**	**-**	**74,453**	56,143
Other trading		**78,791**	**-**	**78,791**	84,795
Charitable activities	9	**918,041**	**1,369,587**	**2,287,628**	2,173,363
Other expenditure	11	**23,098**	**-**	**23,098**	25,494
Total expenditure		**1,094,383**	**1,369,587**	**2,463,970**	2,339,795
Net income		**155,792**	**119,011**	**274,803**	29,819
Transfers between funds	22	**13,860**	**(13,860)**	**-**	-
Net movement in funds before other recognised gains/(losses)		**169,652**	**105,151**	**274,803**	29,819
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	28	**(498,000)**	**-**	**(498,000)**	(484,000)
Net movement in funds		**(328,348)**	**105,151**	**(223,197)**	(454,181)
Reconciliation of funds:					
Total funds brought forward		**893,435**	**158,019**	**1,051,454**	1,505,635
Net movement in funds		**(328,348)**	**105,151**	**(223,197)**	(454,181)
Total funds carried forward		**565,087**	**263,170**	**828,257**	1,051,454

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

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)
REGISTERED NUMBER: 02266267

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	16		**2,857,743**		2,899,789
			2,857,743		2,899,789
Current assets					
Stocks	18	**35,438**		31,403	
Debtors	19	**85,353**		35,522	
Cash at bank and in hand		**551,748**		238,156	
		672,539		305,081	
Creditors: amounts falling due within one year	20	**(380,272)**		(337,015)	
Net current assets / liabilites			**292,267**		(31,934)
Total assets less current liabilities			**3,150,010**		2,867,855
Creditors: amounts falling due after more than one year	21		**(438,753)**		(471,401)
Net assets excluding pension liability			**2,711,257**		2,396,454
Defined benefit pension scheme liability	28		**(1,883,000)**		(1,345,000)
Total net assets			**828,257**		1,051,454
Charity funds					
Restricted funds	22		**263,170**		158,019
Unrestricted funds					
Designated funds	22	**56,335**		-	
General funds	22	**2,391,752**		2,238,435	
Unrestricted funds excluding pension liability	22	**2,448,087**		2,238,435	
Pension reserve	22	**(1,883,000)**		(1,345,000)	
Total unrestricted funds	22		**565,087**		893,435
Total funds			**828,257**		1,051,454

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2020

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:

Gerard Sutcliffe (Mar 9, 2021 15:54 GMT)

.....

Mr Gerard Sutcliffe
(Chair of Trustees)
Date: Mar 9, 2021

The notes on pages 23 to 55 form part of these financial statements.

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)
REGISTERED NUMBER: 02266267

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Note		2020 £		2019 £
Fixed assets					
Tangible assets	16		**2,813,642**		2,860,316
Investments	17		**2**		2
			2,813,644		2,860,318
Current assets					
Stocks	18	**24,412**		20,341	
Debtors	19	**157,530**		87,211	
Cash at bank and in hand		**463,325**		183,297	
		645,267		290,849	
Creditors: amounts falling due within one year	20	**(369,358)**		(326,750)	
Net current assets / liabilites			**275,909**		(35,901)
Total assets less current liabilities			**3,089,553**		2,824,417
Creditors: amounts falling due after more than one year	21		**(438,753)**		(471,401)
Net assets excluding pension liability			**2,650,800**		2,353,016
Defined benefit pension scheme liability	28		**(1,883,000)**		(1,345,000)
Total net assets			**767,800**		1,008,016
Charity funds					
Restricted funds	22		**263,170**		158,019
Unrestricted funds					
Designated funds	22	**56,335**		-	
General funds		**2,331,295**		2,194,997	
	22				
Unrestricted funds excluding pension liability	22	**2,387,630**		2,194,997	
Pension reserve	22	**(1,883,000)**		(1,345,000)	
Total unrestricted funds	22		**504,630**		849,997
Total funds			**767,800**		1,008,016

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JULY 2020

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 on Mar 9, 2021 and signed on their behalf by:

Gerard Sutcliffe (Mar 9, 2021 15:54 GMT)

Mr Gerard Sutcliffe
(Chair of Trustees)

The notes on pages 23 to 55 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash generated by operating activities	25	**406,358**	210,378
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		**30,142**	150
Purchase of tangible fixed assets		**(75,760)**	(73,320)
Net cash used in investing activities		**(45,618)**	**(73,170)**
Cash flows from financing activities			
Cash inflows from new borrowing		**50,000**	-
Repayments of borrowing		**(74,050)**	(69,786)
Interest paid		**(23,098)**	(25,494)
Net cash used in financing activities		**(47,148)**	**(95,280)**
Change in cash and cash equivalents in the year		**313,592**	**41,928**
Cash and cash equivalents at the beginning of the year		**238,156**	196,228
Cash and cash equivalents at the end of the year	26	**551,748**	238,156

The notes on pages 23 to 55 form part of these financial statements

1. General information

The charity is a company limited by guarantee, incorporated in England and Wales, and consequently does not have share capital. Its registered office is The Stables, Rossington Hall, Great North Road, Doncaster, South Yorkshire, DN11 0HN.

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 issued October 2019, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

National Horseracing College (Formerly Northern Racing College) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

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

2.2 Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies (continued)

2.3 Going concern

The charity, for some years, has been unable to comply with its policy to hold free reserves of between 1 and 2 months operational expenditure. Small surpluses in unrestricted funds in recent years had allowed the College to work towards adherence of the policy, however the onset of the global pandemic brought increased risk to the charity's finances.

The NHC has been fortunate to be supported by continued regular contract payments from the racing industry and some additional support recognising the significant impact that will result over the coming year to two years due to cohorts of learners which could not enter the training pipeline.

Steps taken by central government, local authorities and the racing industry already have helped to support the College's own efforts to sustain its staff and learners through this period of global adversity. While the pandemic is not yet over, uncertainties remain, but the business has taken decisive and effective measures to preserve cash flow and increase its resilience.

The Trustees have prepared forecasts of income and expenditure and cash flow for the period to 28 February 2022 which shows that they have sufficient cash to be able to continue for the foreseeable future.

The Trustees therefore continue to adopt the going concern basis of preparation for these financial statements.

2. Accounting policies (continued)

2.4 Income

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

Grants are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold.

Where the donated good is a fixed asset, it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset class and depreciated over the useful economic life in accordance with the company's accounting policies.

On receipt, donated professional services and facilities are recognised on the basis of the value of the gift to the company which is the amount it would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service. Included in other income is CJRS income which is recognised in the period for which the claim was made.

2.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

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

2. Accounting policies (continued)

2.5 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £200 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, .

Depreciation is provided on the following bases:

Visitor centre	- Variable between 1% - 20% on a reducing balance basis
Building refurbishment	- Over the term of the lease
Leasehold land & buildings	- Over the term of the lease
Stable block	- 1% reducing balance
Plant, equipment and motor vehicles	- 10% reducing balance, 20% on cost
Gallop, manege and indoor riding school	- 5% on cost, 1% reducing balance
Computer equipment	- 20 - 33% on cost

2.7 Investments

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

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

2.9 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.

2.10 Cash at bank and in hand

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

2. Accounting policies (continued)

2.11 Liabilities

Liabilities and provisions 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.

2.12 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

2.15 Pensions

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

The group operates a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

2. Accounting policies (continued)

2.16 Fund accounting

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

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

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

2.17 Taxation

As a charity, National Horseracing College is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

2.18 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Donations			
Pontefract race day income	-	**-**	10,150
Leger Legends income	45,000	**45,000**	55,000
	45,000	**45,000**	65,150
Total 2019	65,150	65,150	

5. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Operation of educational and training college	19,950	1,203,665	**1,223,615**	1,107,390
ESFA	665,427	-	**665,427**	772,609
Other activity related income	51,878	-	**51,878**	55,033
Grants (see detailed breakdown below)	202,100	284,933	**487,033**	219,649
	939,355	1,488,598	**2,427,953**	2,154,681
Total 2019	953,235	1,201,446	2,154,681	

Grants

	2020	2019
	£	£
Big Lottery	**57,825**	-
Regional training grant	**79,858**	52,853
Stalls refurbishment	**15,000**	-
Funding expert contribution	**-**	8,843
Commercial assistance	**50,000**	-
Racing welfare	**7,250**	14,500
Immersive technology	**10,000**	-
Accomodation review	**40,000**	10,000
Peter O'Sullivan Trust- Lunge pen	**-**	50,000
The Racing Foundation- Lunge pen	**-**	10,000
Peter O'Sullivan Trust- Fitness facility	**-**	14,000
Horsebox grant	**25,000**	-
Total restricted grants	**284,933**	160,196
BHA COVID-19 support	**175,100**	-
Princes Trust / BHA	**-**	32,000
Regional training support	**12,000**	12,453
14-16 year old programme	**15,000**	15,000
Total unrestricted grants	**202,100**	59,453
Total	**487,033**	219,649

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
NHC Trading Limited	122,435	**122,435**	149,783
Total 2019	149,783	149,783	

The charity has a wholly owned trading subsiduary, NHC Trading Limited (company number 03538751). The company was incorporated on 1 April 1998 and has issued share capital of two ordinary shares. The company gifts its taxable profits to National Horseracing College. Audited accounts are filed with Companies House.

7. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Insurance receipt	56,335	**56,335**	-
CJRS income	87,050	**87,050**	-
	143,385	**143,385**	-

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fundraising and publicity	(27)	**(27)**	1,783
Voluntary income staff costs	74,480	**74,480**	54,360
	74,453	**74,453**	56,143
Total 2019	56,143	56,143	

Other trading expenses

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Cost of sales	64,706	**64,706**	65,214
Administration expenses	10,404	**10,404**	11,481
Depreciation	3,681	**3,681**	8,100
Total 2020	78,791	**78,791**	84,795
Total 2019	84,795	84,795	

In 2019 all expenditure related to unrestricted funds.

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	**Restricted funds 2020 £**	**Total funds 2020 £**	Total funds 2019 £
Operation of educational and training college	918,041	1,369,587	**2,287,628**	2,173,363
Total 2020	918,041	1,369,587	**2,287,628**	2,173,363
Total 2019	898,081	1,275,282	2,173,363	

10. Summary by expenditure category

	2020	2019
	£	£
Training costs	**107,498**	73,128
Accommodation	**356,637**	384,509
Stable yard	**169,898**	156,777
Staff costs	**773,412**	691,628
National Insurance	**80,852**	77,136
Pension costs	**87,836**	89,493
FRS 17 finance costs	**30,000**	21,000
Depreciation	**85,261**	86,018
Total direct costs	**1,691,394**	1,579,689
Administration costs	**229,334**	220,901
Staff costs	**132,467**	142,229
Total management and administration	**361,801**	363,130
Support administration costs	**50,342**	48,490
Total support costs	**50,342**	48,490
Governance costs (see note 11)	**184,091**	182,054
Overall Total	**2,287,628**	2,173,363

11. Other expenditure

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank and other interest	23,098	-	**23,098**	25,494
Total 2019	2,105	23,389	25,494	

12. Governance costs

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Auditor's remuneration	**9,860**	**-**	**9,860**	9,370
Trustees' expenses	**1,344**	**-**	**1,344**	2,434
Legal and professional	**17,909**	**39,950**	**57,859**	58,269
Salaries and related charges	**113,228**	**1,800**	**115,028**	111,981
Overall Total	**142,341**	**41,750**	**184,091**	182,054

In 2019 £13,902 of governance costs related to restricted expenditure and £168,152 related to unrestricted expenditure.

13. Net income/(expenditure)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets owned by the charitable company	**76,835**	85,473
Depreciation of tangible fixed assets held under finance leases	**12,107**	8,645
Auditor's remuneration- audit	**9,860**	9,370
Total	**98,802**	103,488

14. Staff costs

	Group 2020 £	Group 2019 £	**Company 2020 £**	Company 2019 £
Wages and salaries	**1,085,387**	960,198	**1,085,387**	960,198
Social security costs	**80,852**	77,136	**80,852**	77,136
Pension costs	**87,836**	89,493	**87,836**	89,493
Operating costs of defined benefit pension schemes	**10,000**	40,000	**10,000**	40,000
	1,264,075	1,166,827	**1,264,075**	1,166,827

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

	Group 2020 No.	Group 2019 No.
	46	43

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

	Group 2020 No.	Group 2019 No.
In the band £80,001 - £90,000	**1**	1

The total remuneration and benefits received by key management personnel was £287,623 (2019: £320,017). The trustees consider senior management personnel to be the Chief Executive Officer, the Operations Director, the Support Services Manager, the Work Based Learning Manager, the Foundation Course Manager, the Head of Instructors and the Fundraising Manager.

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 July 2020, expenses totalling £1,344 were reimbursed or paid directly to 6 Trustees (2019 - £2,434 to 6 Trustees). These expenses relate to the reimbursement of travel expenses incurred by the Trustees when attending National Horseracing College Trustee meetings and events.

16. Tangible fixed assets

Group

	Visitors centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Total £
Cost or valuation								
At 1 August 2019	**816,681**	**463,619**	**1,239,582**	**652,271**	**837,165**	**495,195**	**47,652**	**4,552,165**
Additions	**-**	**-**	**-**	**-**	**-**	**63,399**	**12,361**	**75,760**
Disposals	**-**	**-**	**-**	**-**	**(4,001)**	**(43,014)**	**-**	**(47,015)**
At 31 July 2020	**816,681**	**463,619**	**1,239,582**	**652,271**	**833,164**	**515,580**	**60,013**	**4,580,910**
Depreciation								
At 1 August 2019	**213,300**	**248,635**	**286,193**	**157,543**	**453,343**	**250,161**	**43,201**	**1,652,376**
Charge for the year	**6,205**	**3,459**	**10,750**	**6,580**	**12,549**	**43,850**	**5,549**	**88,942**
On disposals	**-**	**-**	**-**	**-**	**-**	**(18,151)**	**-**	**(18,151)**
At 31 July 2020	**219,505**	**252,094**	**296,943**	**164,123**	**465,892**	**275,860**	**48,750**	**1,723,167**

16. Tangible fixed assets (continued)

Group (continued)

	Visitors centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Total £
Net book value								
At 31 July 2020	**597,176**	**211,525**	**942,639**	**488,148**	**367,272**	**239,720**	**11,263**	**2,857,743**
At 31 July 2019	603,381	214,984	953,389	494,728	383,822	245,034	4,451	2,899,789

Company

	Visitors centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Total £
Cost or valuation								
At 1 August 2019	**816,681**	**463,619**	**1,235,441**	**652,271**	**837,165**	**382,169**	**47,652**	**4,434,998**
Additions	-	-	-	-	-	**55,090**	**12,361**	**67,451**
Disposals	-	-	-	-	**(4,001)**	**(43,014)**	-	**(47,015)**
At 31 July 2020	**816,681**	**463,619**	**1,235,441**	**652,271**	**833,164**	**394,245**	**60,013**	**4,455,434**

16. Tangible fixed assets (continued)

Company (continued)

	Visitors centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Total £
Depreciation								
At 1 August 2019	**213,300**	**248,635**	**285,368**	**157,543**	**453,343**	**173,292**	**43,201**	**1,574,682**
Charge for the year	**6,205**	**3,459**	**10,667**	**6,580**	**12,549**	**40,252**	**5,549**	**85,261**
On disposals	**-**	**-**	**-**	**-**	**-**	**(18,151)**	**-**	**(18,151)**
At 31 July 2020	**219,505**	**252,094**	**296,035**	**164,123**	**465,892**	**195,393**	**48,750**	**1,641,792**
Net book value								
At 31 July 2020	**597,176**	**211,525**	**939,406**	**488,148**	**367,272**	**198,852**	**11,263**	**2,813,642**
At 31 July 2019	603,381	214,984	950,073	494,728	383,822	208,877	4,451	2,860,316

17. Fixed asset investments

	Investments in subsidiary companies
company	**£**
Cost or valuation	
At 1 August 2019	**2**
At 31 July 2020	**2**
Net book value	
At 31 July 2020	**2**
At 31 July 2019	2

National Horseracing College owns 100% of the ordinary share capital of its trading subsiduary, NHC Trading Limited, a company incorporated in England and Wales.

17. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	Company number	Registered office or principal place of business	Class of shares	Holding
NHC Trading Limited	03538751	The Stables, Rossington Hall, Great North Road, Doncaster, DH11 0HN	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
NHC Trading Limited	**122,435**	**(87,928)**	**34,507**	**60,459**

18. Stocks

	Group 2020 £	Group 2019 £	**Company 2020 £**	Company 2019 £
Finished goods	**35,438**	31,403	**24,412**	20,341

19. Debtors

	Group 2020 £	Group 2019 £	**Company 2020 £**	Company 2019 £
Trade debtors	**54,197**	28,065	**49,909**	21,777
Amounts owed by group undertakings	**-**	-	**76,465**	57,977
Other debtors	**4,729**	617	**4,729**	617
Prepayments and accrued income	**26,427**	6,840	**26,427**	6,840
	85,353	35,522	**157,530**	87,211

20. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	**Company 2020 £**	Company 2019 £
Bank overdrafts	**-**	3	**-**	3
Bank loans	**61,440**	52,157	**61,440**	52,157
Trade creditors	**69,971**	111,904	**63,210**	107,106
Other taxation and social security	**29,867**	37,127	**26,744**	32,660
Obligations under finance lease and hire purchase contracts	**9,454**	4,228	**9,454**	4,228
Other creditors	**209,540**	131,596	**208,510**	130,596
	380,272	337,015	**369,358**	326,750

The hire purchase contract is secured against the asset to which it relates.

21. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	**Company 2020 £**	Company 2019 £
Bank loans	**432,257**	465,590	**432,257**	465,590
Net obligations under finance lease and hire purchase contracts	**6,496**	5,811	**6,496**	5,811
	438,753	471,401	**438,753**	471,401

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2020 £	Group 2019 £	**Company 2020 £**	Company 2019 £
Repayable by instalments	**181,026**	188,842	**181,026**	188,842
	181,026	188,842	**181,026**	188,842

Bank loans and overdrafts are secured by way of a first legal charge over the assets and undertakings of the charity, including the Residential Centre, Rossington Hall, Great North Road, Doncaster.

Bank loans are repaid monthly over the term of the loan. Interest is payable at a fixed rate of 5.955%. Interest on any bank overdrafts is payable at 5.55% above base rate.

A Bounce Back Loan of £50,000 was drawn down during the year. Repayments commence July 2021 and there is no interest charged.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

22. Statement of funds

Statement of funds - current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Unrestricted funds						
Designated funds						
College improvements	-	**56,335**	-	-	-	**56,335**
General funds						
General funds	**2,194,997**	**1,071,405**	**(966,455)**	**31,348**	-	**2,331,295**
Reserves held in subsidiary	**43,438**	**122,435**	**(87,928)**	**(17,488)**	-	**60,457**
Pension reserve	**(1,345,000)**	-	**(40,000)**	-	**(498,000)**	**(1,883,000)**
	893,435	**1,193,840**	**(1,094,383)**	**13,860**	**(498,000)**	**508,752**
Total Unrestricted funds	**893,435**	**1,250,175**	**(1,094,383)**	**13,860**	**(498,000)**	**565,087**
Restricted funds						
Horseracing grant scheme	**60,000**	-	-	-	-	**60,000**
Regional training grant	**27,269**	**79,858**	**(42,952)**	-	-	**64,175**
Immersive technology	-	**10,000**	**(10,000)**	-	-	-
Stalls refurbishment	-	**15,000**	**(15,000)**	-	-	-
Racing welfare	**580**	**7,250**	**(7,830)**	-	-	-
Horsebox grant	-	**25,000**	-	-	-	**25,000**
Commercial assistance	-	**50,000**	**(50,000)**	-	-	-
Big Lottery funding	-	**57,825**	-	-	-	**57,825**
Peter O'Sullivan Trust - Lunge pen	**48,125**	-	-	-	-	**48,125**

22. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
The Racing Foundation-Lunge pen	**8,045**	**-**	**-**	**-**	**-**	**8,045**
Accomodation review	**-**	**40,000**	**(40,000)**	**-**	**-**	**-**
Peter O'Sullivan Trust - Fitness facility	**14,000**	**-**	**(140)**	**(13,860)**	**-**	**-**
BHA & HBLB programmes	**-**	**1,203,665**	**(1,203,665)**	**-**	**-**	**-**
	158,019	**1,488,598**	**(1,369,587)**	**(13,860)**	**-**	**263,170**
Total of funds	**1,051,454**	**2,738,773**	**(2,463,970)**	**-**	**(498,000)**	**828,257**

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
Unrestricted funds						
General funds	2,123,313	1,018,385	(947,011)	310	-	2,194,997
Reserves held in subsidiary	28,761	149,783	(134,796)	(310)	-	43,438
Pension reserve	(800,000)	-	(61,000)	-	(484,000)	(1,345,000)
	1,352,074	1,168,168	(1,142,807)	-	(484,000)	893,435
Restricted funds						
Horseracing grant scheme	60,000	-	-	-	-	60,000
Regional training grant	15,785	52,853	(41,369)	-	-	27,269
Immersive technology	17,800	-	(17,800)	-	-	-
Stalls refurbishment	3,587	-	(3,587)	-	-	-
Racing welfare	2,880	14,500	(16,800)	-	-	580
Horsebox grant	5,482	-	(5,482)	-	-	-
Commercial assistance	48,027	-	(48,027)	-	-	-
Big Lottery funding	-	8,843	(8,843)	-	-	-
Peter O'Sullivan Trust - Lunge pen	-	50,000	(1,875)	-	-	48,125
The Racing Foundation- Lunge pen	-	10,000	(1,955)	-	-	8,045
Accomodation review	-	10,000	(10,000)	-	-	-

22. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
Peter O'Sullivan Trust - Fitness facility	-	14,000	-	-	-	14,000
BHA & HBLB programmes	-	1,041,250	(1,041,250)	-	-	-
	153,561	1,201,446	(1,196,988)	-	-	158,019
Total of funds	1,505,635	2,369,614	(2,339,795)	-	(484,000)	1,051,454

Restricted Funds

The funds of the charity include restricted funds comprising the following unexpended balances of grants and donations held on trust to be applied for specific purposes:

The Horseracing grant scheme represents a contribution from the British Horseracing Authority towards the costs of the construction of the ground floor of what will become the College's proposed new accommodation block, the construction of this has not begun.

The regional training grant represents grants received from the Racing Foundation under its 'People Development' initiative to provide Rider coaching sessions, simulator training and theoretical coaching for the racing Community.

Racing to school is to fund a two year programme to develop a new website and to purchase 40 grooming kits.

Racing welfare fund the life skills programme which seeks to provide skills to learners to help them become resillient and effective communicators who are equipped for independent living.

Commercial assistance is in relation to a three year project to fund the recruitment and employment of a Business Development Manager to assist in the generation of additional commercial revenues.

Big Lottery **-** Youth engagement support - grant to provide additional support to disadvantaged learners.

The lunge pen grant are two grants, one from The Peter O'Sullivan Trust and one from The Racing Foundation to create a new lunge pen for the horses, included in the building of the lunge pen is a new racehorse simulator.

The accomodation review grant was a grant in order to fund someone to come in and review the residential facilities at the college in order to prioritise what areas needed improvement and where savings can be made whilst improving the accomodation facilities.

The Fitness facility grant is monies received in order to upgrade the fitness facilities at the the college in order to help the aspiring jockeys obtain the physical performance they need.

The BHA & HBLB programmes fund is money received from the British Horseracing Association in order for the college to deliver it's courses and help with the day to day running of the facility.

Immersive technology - for new technology purchases

Stalls refurbishment - to fund refurbishment to the stalls

Horsebox grant - to fund a new horsebox

Government funding expert (contract co-ordinator) is for the part funding of a Government Funding expert on a three year project to assist in keeping abreast of complex government policy on education funding.

Transfer between funds

A transfer has been made from restricted funds to unrestricted funds for capital expenditure where the conditions of the funding have been fulfilled.

23. Summary of funds

Summary of funds - current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Designated funds	**-**	**56,335**	**-**	**-**	**-**	**56,335**
General funds	**893,435**	**1,193,840**	**(1,094,383)**	**13,860**	**(498,000)**	**508,752**
Restricted funds	**158,019**	**1,488,598**	**(1,369,587)**	**(13,860)**	**-**	**263,170**
	1,051,454	**2,738,773**	**(2,463,970)**	**-**	**(498,000)**	**828,257**

Summary of funds - prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
General funds	1,352,074	1,168,168	(1,142,807)	-	(484,000)	893,435
Restricted funds	153,561	1,201,446	(1,196,988)	-	-	158,019
	1,505,635	2,369,614	(2,339,795)	-	(484,000)	1,051,454

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,857,743	-	**2,857,743**
Current assets	409,369	263,170	**672,539**
Creditors due within one year	(380,272)	-	**(380,272)**
Creditors due in more than one year	(438,753)	-	**(438,753)**
Provisions for liabilities and charges	(1,883,000)	-	**(1,883,000)**
Total	565,087	263,170	**828,257**

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	2,899,789	-	2,899,789
Current assets	147,062	158,019	305,081
Creditors due within one year	(337,015)	-	(337,015)
Creditors due in more than one year	(471,401)	-	(471,401)
Provisions for liabilities and charges	(1,345,000)	-	(1,345,000)
Total	893,435	158,019	1,051,454

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

	Group 2020 £	Group 2019 £
Net income for the period (as per Statement of Financial Activities)	**274,803**	29,819
Adjustments for:		
Depreciation charges	**87,664**	94,118
(Increase)/decrease in stocks	**(4,035)**	(13,657)
Decrease/(increase) in debtors	**(49,831)**	62,191
Increase/(decrease) in creditors	**34,659**	(48,587)
Interest paid	**23,098**	25,494
Defined benefit pension adjustment	**40,000**	61,000
Net cash provided by operating activities	**406,358**	210,378

26. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	**551,748**	238,156
Total cash and cash equivalents	**551,748**	238,156

27. Analysis of changes in net debt

	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash at bank and in hand	**238,156**	**313,592**	**551,748**
Bank overdrafts repayable on demand	**(3)**	**3**	**-**
Debt due within 1 year	**(52,157)**	**(9,283)**	**(61,440)**
Debt due after 1 year	**(465,590)**	**33,333**	**(432,257)**
Finance leases	**(10,039)**	**(5,911)**	**(15,950)**
	(289,633)	**331,734**	**42,101**

28. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge includes contributions payable by the company to the fund and amounted to £19,515 (2019: £18,578). Contributions totalling £3,391 (2019: £1,555) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefit pension scheme.

National Horseracing College is a member of the South Yorkshire Pension scheme which is a multi-employer pension scheme providing benefits on final pensionable pay. The assets of the scheme are held separately from those of National Horseracing College. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with National Horseracing College. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

A full actuarial valuation was carried out as at 31 March 2019 and to the 31 July 2020 specifically for the college by Mercer Human Resource Consulting Limited.

The contributions made for the year ended 31 July 2020 were £59,000 and the contribution rates expected for the year ended 31 July 2021 are £63,000.

At the balance sheet date there were outstanding contributions payable of £2,700 (2019: £2,515).

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 July 2020 %	At 31 July 2019 %
Discount rate	**1.60**	2.20
Future salary increases	**3.55**	3.45
Future pension increases	**2.40**	2.30
Inflation assumption	**2.30**	2.20

	At 31 July 2020 Years	At 31 July 2019 Years
Mortality rates (in years)		
- for a male aged 65 now	**22.4**	23.1
- at 65 for a male aged 45 now	**23.9**	25.3
- for a female aged 65 now	**25.2**	25.9
- at 65 for a female aged 45 now	**27.1**	28.3

28. Pension commitments (continued)

The Group's share of the assets in the scheme was:

	At 31 July 2020 £	At 31 July 2019 £
Equities	**1,322,000**	1,560,000
Government bonds	**446,000**	426,000
Other bonds	**254,000**	218,000
Property	**240,000**	259,000
Cash and other liquid assets	**117,000**	95,000
Other	**480,000**	423,000
Total fair value of assets	**2,859,000**	2,981,000

The actual return on scheme assets was £-33,000 (2019 - £217,000).

The amounts recognised in the Consolidated Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost (less contributions paid)	**(65,000)**	(56,000)
Past service cost	**(3,000)**	(43,000)
Interest cost	**(30,000)**	(21,000)
Administrative expenses	**(1,000)**	(1,000)
Total amount recognised in the Consolidated Statement of Financial Activities	**(99,000)**	(121,000)

28. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2020 £
Opening defined benefit obligation	**4,326,000**
Interest cost	**95,000**
Actuarial losses	**343,000**
Benefits paid	**(101,000)**
Current service costs	**65,000**
Past service costs	**3,000**
Contributions by scheme participants	**11,000**
Closing defined benefit obligation	**4,742,000**

Movements in the fair value of the Group's share of scheme assets were as follows:

	2020 £
Opening fair value of scheme assets	**2,981,000**
Interest on plan assets	**65,000**
Actuarial (losses)/gains	**(155,000)**
Administration expenses	**(1,000)**
Contributions by employer	**59,000**
Contirbutions by scheme participants	**11,000**
Benefits paid	**(101,000)**
Closing fair value of scheme assets	**2,859,000**

Amounts for the current and previous period for the defined benefit pension schemes are as follows:

	2020 £	2019 £
Defined benefit obligation	**(4,742,000)**	(4,326,000)
Scheme assets	**2,859,000**	2,981,000
Deficit	**(1,883,000)**	(1,345,000)
Experience adjustments on scheme liabilities	**(343,000)**	(621,000)
Experience adjustment on scheme assets	**(155,000)**	137,000

29. Operating lease commitments

At 31 July 2020 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	**Company 2020 £**	Company 2019 £
Not later than 1 year	**3,051**	15,353	**3,051**	15,353
Later than 1 year and not later than 5 years	**2,930**	5,981	**2,930**	5,981
	5,981	21,334	**5,981**	21,334

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 2020 £	Group 2019 £	**Company 2020 £**	Company 2019 £
Operating lease rentals	**15,353**	-	**15,353**	-

30. Related party transactions

During the year purchases were made from NHC Trading Limited (a wholly owned trading subsidiary) totalling £6,663 (2019: £3,962). Management charges made in the year to NHC Trading Limited were £9,137 (2019: £50,000). At the year end £76,465 (2019: £57,977) was due from NHC Trading Limited.

31. Controlling party

The Trust is a charity limited by guarantee and is therefore ultimately controlled by the Trustees.