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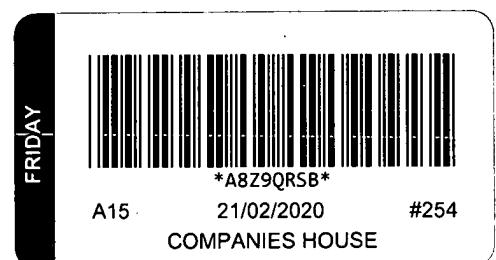
Charity number: 700405

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019



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 2019**

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
Ms Susannah Cordelia Gill
Ms Nicola Frampton
Ms Sally Iggulden
Mr N Brewster (appointed 6 March 2019)

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

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Pension Administrators

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

Vice Presidents

Mr Colin Wedd
Mr Martin Crawshaw
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 2019

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 July 2019. 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 2015) as amended by Update Bulletin 1 (effective January 2015).

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.

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

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. To be eligible to receive funding any community organisation must provide public benefit themselves.

The National Horseracing College (NHC) (formerly the Northern Racing College) 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. This year, across all of its training activities, the NHC's contribution to racing amounts to training for over 500 individuals and the delivery of over 15,000 person days of training and development activities. 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

Safeguarding and duty of care to learners on residential courses, learners in the workplace and to staff remains a priority. Significant numbers of staff have undertaken training that will enable them to provide enhanced support in particular to learners with complex needs. Various forms of mental health training have been delivered to staff to raise awareness, provide greater understanding of the challenges people face when suffering mental health problems and to help them know how best to respond to the realities they encounter. All staff and all Trustees also completed the BHA accredited industry specific safeguarding accredited learning programme.

One new Trustee, Nigel Brewster, joined the Board bringing a wealth of business experience and his extensive local and regional network of connections. Other relatively recently joined Board members have settled in and demonstrated their commitment to good governance at the College. One shortfall in capability at Board level continues to be educational expertise. This is the priority now for trustee recruiting efforts.

Specific efforts were made in 2018/19 to broaden the reach of recruiting to the Foundation Course. We have engaged with a range of other organisations that work with young people in particular who may not have made the most of education, training or employment opportunities earlier in their lives. As a result of new and very positive partnerships with entities such as the Prince's Trust and Bridge of Hope, individuals and even whole cohorts of learners have attended the College. Some have gone on to jobs in racing, all have gained hugely from their experiences and demonstrated significant progress from their start points.

Marketing and Recruiting

Additional resources have been added to the team. Whilst it could be argued that marketing and recruiting for the racing industry ought to be led elsewhere, it is very evident that the College's own efforts fill places on its Foundation Courses. A great deal of attention is paid to enhancing our engagement with potential recruits and those who influence them through effective use of social media.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Strategic report (continued)

Achievements and performance (continued)

Foundation Courses

Across the 9 residential Foundation Courses run during this period, 83% of funded starters achieved graduation and 95% went from the College to work placements. Our recruiting to this intense, arduous course continues to be determinedly inclusive and comprehensive. It welcomes established riders and those who have never ridden, school leavers, college leavers, NEETs and more mature people looking for a career change. The standard course is 12 weeks long but every individual is assessed to determine whether they need and will benefit from attending the full programme. Some learners undertake accelerated training, some are given a training waiver and some remain after their standard course to improve specific skills to maximise their chances of full employment as opposed to merely achieving the basic qualifications. This year's learners included 39% from areas officially designated as underprivileged by national standards. Our focus remains firmly on helping each individual achieve the most positive outcome possible for them.

Functional and Life Skills

Functional Skills training (numeracy and literacy) is provided to meet legal obligations to all learners whose prior attainment is below a specified level. The College's efforts in this area have enabled particularly high levels of learner achievement; English at over 72% and maths at 81% against the national average of 64%.

The Life Skills programme, delivered for Foundation Course learners in the evenings after a full day of riding and working on the yards, continues to focus on building emotional intelligence and independent skills such as work ethic, resilience, self-confidence, esteem and raising aspirations to enable young people to function in the real world as contributing members of society. Content is reviewed regularly to ensure it is fit for purpose.

Doncaster Equine College Programme

The first full year of our non-residential DEC Programme for Level 1, 2 and 3 learners proved highly successful this period, demonstrating clearly the merits of the business model applied, the opportunity being exploited and the quality of what has been delivered. The Programme's good reputation has been established more quickly than we dared hope and significant demand for what it offers certainly exists within our catchment area. It is anticipated to continue to grow and to continue to make an important contribution to the financial position of the College as well as attract recruits into horse racing.

Apprenticeships

The NHC's delivery of work based learning leading to the Apprenticeship at Levels 2 and 3 continues. Long-standing and largely positive relationships with employers across the length and breadth of the country (there is a different system in Scotland) have ensured a relatively seamless transition to new Standards. Our qualification achievement rates (QAR) for Level 2 and Level 3 Apprentices have improved still further on last year and stand at 90% overall, significantly above national averages.

Quality Assurance

A schedule of graded, internally organised observations of the delivery of training and education is in place. These continue to show very good standards being achieved by instructors. In addition, independent external quality assurance (EQA) visits from our assessment organisations, 1st4sport and City & Guilds, have been good with only a few minor actions identified. We continue to undertake our annual Self-Assessment Report (SAR) process with input from staff, learners and employers to inform our Business Improvement Plan (BIP) and gauge our own progress between formal Ofsted inspections.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Strategic report (continued)

Achievements and performance (continued)

Regional Staff Development Programme (RSDP)

The noteworthy success of a pilot programme in the Middleham area exceeded expectations in many ways. The evidence it provided allowed a significant bid to be put to the Racing Foundation to fund a programme run on behalf of the BHA by the College that combined highly acclaimed Regional Training with a Rider Coaching Programme. The grant money enabled establishment of RSDP hubs in Malton, Lambourn and Newmarket and will fund training activities based from those hubs for the next three years.

Specialist Courses

This format of our provision continues to see increased uptake of available vacancies. Improvements to aspects of the infrastructure, growing reputation and marketing efforts have contributed.

Pony Racing

One Pony Racing Academy, funded by The Racing Foundation as part of a three year support grant, was held successfully in October 2018 with young people from the age of 11 attending. Such activities have been important sources of recruits to the industry as a whole, some of them passing through the College's Foundation Courses. However, Racing Foundation funding ran to the end of 2018 and a replacement sponsor has not yet been found. To ensure that we can continue to offer progression for young people, talented young riders engaged with our Flexible Learning Programme (FLP aka 14-16 Programme) were offered the opportunity to join a Pony Racing Camp and also to participate in races on College racing ponies. The Pony Racing Camp and Pony Racing Training Days were well attended and help to attract young people onto both the FLP and the Foundation Course.

b. Fundraising activities and income generation

The manager appointed in January 2018 to take responsibility for increasing revenue by accessing grants, fundraising and promoting commercial activities has made a significant difference and exceeded targets. The College is of course most grateful to all the entities which contribute to our ability to deliver on our mission including industry charities, bookmakers, large and small businesses and parents/friends of learners.

In its ninth year, the total money raised by the Leger Legends event that has been shared between the College and the Injured Jockeys Fund exceeded £1 million. The College is deeply grateful to Tim Adams, Jack Berry and Dale Gibson, founding members of the organising committee, who stepped down after working so hard and so successfully for the last 9 years on the project. We are confident the event will continue to be a significant source of support for years to come with Nigel Brewster as Chairman of its organising committee and Andrew Thornton organising participation of the legendary jockeys.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Strategic report (continued)

Achievements and performance (continued)

c. Commercial Activities

Following the departure of the Doncaster College outstation staff, learners and animals from our Rossington Hall site, the Visitor Centre underwent significant refurbishment. It now incorporates excellent lecture, conference and meeting rooms, a new shop facility, enhanced office space for several members of staff and a small fitness facility is being created. Aside the improved conditions for learners and staff, revenue generated by the facility has increased beyond expectations and continues to grow.

Contracted out fodder production on the College's Agricultural Tenancy land around its straight gallop continues to be an important net contributor to our bottom line, despite the vagaries of the weather.

Little seems to have changed with respect to the proposal by a consortium to develop housing and a major golf facility on land which includes the NHC's straight gallop.

d. Infrastructure and Equipment

This period saw continued significant steps taken in addressing identified infrastructure shortcomings that result from a number of years of less than fully adequate attention.

e. HR Matters

In addition to mandatory First Aid at Work, Safeguarding, Prevent and IOSH training, staff were encouraged to participate in continuous professional development (CPD). Uptake of this has been most encouraging with a number of staff obtaining NCFE Level 2 qualifications in, for example: Understanding Autism; Introduction to Mental Health; Equality and Diversity; Nutrition; Information Advice and Guidance.

Financial review

a. Going concern

Based on the reasons included in the future development paragraph of the Trustees' report, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They are satisfied that the NHC continues to be a going concern.

b. Reserves policy

The Trustees have established a policy whereby the unrestricted funds not committed or invested in the tangible fixed assets (the free reserves) the charity holds should be between £170k and £340k or one and two months of the resources expended. The College has been unable to comply with that policy for some years. However, small surpluses in unrestricted funds allow the NHC at least to begin to work towards adherence which continues to be its aspiration.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Strategic report (continued)

Financial review (continued)

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.

This year 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 profit for the year was £29,819 but has to show an adjustment for audit purposes, which doesn't affect cash, of (£484,000) due to periodic revaluation of pension liabilities leading to a net loss of (£454,181).

d. 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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Strategic report (continued)

Financial review (continued)

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.

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.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

Structure, governance and management (continued)

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.

College policy is to pay employees at rates consistent with the wider Industry market where possible. Modest pay increases were effected in each of the last two years. These were in line with uplifts negotiated by the National Association of Stable Staff with the National Trainers' Federation. The UK's National Living Wage is the lowest level at which the College pays any employee. Adjustments to the salaries of the College's senior leaders are made on exactly the same basis as all other employees. A modest annual bonus was paid, linked to length of service without regard to appointment but with a cap and collar applied.

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. The total cost (salary + NI + pension) to the College of the team in this accounting year was £320,017 (2018: £298,555).

Plans for future periods

With effect from 1 August 2019, the College's title changed to the National Horseracing College. This does not change in any way what the College does or how it does it. However, the change does reflect much more appropriately the role, status and standing of the College as a key provider of training to the horse racing industry across the length and breadth of the UK. It will help to dispel any misperceptions about geographical limitations and help also to increase the scope for improved marketing.

The industry's continued wholehearted commitment, expressed in terms of the significant resources it employs to pay for the output it receives from the College, indicate that its contribution to the racing industry is recognised and will be enabled for the long term. However, we continue to strive towards a sustainable funding model that will not have to be re-examined on an annual basis and will enable more effective medium to long term planning.

For the reasons identified above the Trustees have every reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They are satisfied that the NHC continues to be a going concern. (Further details regarding the adoption of the going concern basis can be found in the Note 1 – Accounting Policies.)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

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

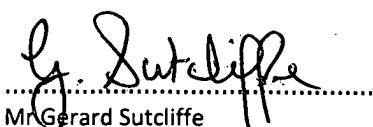
Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- 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:



Mr Gerard Sutcliffe
(Chair of Trustees)

Date: 13/2/2020

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
(A company limited by guarantee)

**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 2019 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 2019 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 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.

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
(A company limited by guarantee)

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

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF NATIONAL HORSERACING COLLEGE
(FORMERLY NORTHERN RACING 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

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

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
(A company limited by guarantee)

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

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: **13/2/2020**

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 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:					
Donations and legacies	4	65,150	-	65,150	70,776
Charitable activities	5	953,235	1,201,446	2,154,681	1,976,478
Other trading activities	6	149,783	-	149,783	114,302
Total income		1,168,168	1,201,446	2,369,614	2,161,556
Expenditure on:					
Raising funds:	7				
Voluntary income		56,143	-	56,143	12,132
Fundraising income		84,795	-	84,795	119,783
Charitable activities	8	999,764	1,173,599	2,173,363	1,962,410
Other expenditure	10	2,105	23,389	25,494	33,822
Total expenditure		1,142,807	1,196,988	2,339,795	2,128,147
Net movement in funds before other recognised gains/(losses)		25,361	4,458	29,819	33,409
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	26	(484,000)	-	(484,000)	356,000
Net movement in funds		(458,639)	4,458	(454,181)	389,409
Reconciliation of funds:					
Total funds brought forward		1,352,074	153,561	1,505,635	1,116,226
Net movement in funds		(458,639)	4,458	(454,181)	389,409
Total funds carried forward		893,435	158,019	1,051,454	1,505,635

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

The notes on pages 22 to 53 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	2,899,789	2,920,737
		<u>2,899,789</u>	<u>2,920,737</u>
Current assets			
Stocks	17	31,403	17,746
Debtors	18	35,522	97,713
Cash at bank and in hand		238,156	196,228
		<u>305,081</u>	<u>311,687</u>
Creditors: amounts falling due within one year	19	(337,015)	(382,545)
Net current liabilities		<u>(31,934)</u>	<u>(70,858)</u>
Total assets less current liabilities		<u>2,867,855</u>	<u>2,849,879</u>
Creditors: amounts falling due after more than one year	20	(471,401)	(544,244)
Net assets excluding pension liability		<u>2,396,454</u>	<u>2,305,635</u>
Defined benefit pension scheme liability	26	(1,345,000)	(800,000)
Total net assets		<u><u>1,051,454</u></u>	<u><u>1,505,635</u></u>
Charity funds			
Restricted funds	21	158,019	153,561
Unrestricted funds			
General funds	21	2,238,435	2,152,074
Unrestricted funds excluding pension liability	21	2,238,435	2,152,074
Pension reserve	21	(1,345,000)	(800,000)
Total unrestricted funds	21	<u>893,435</u>	<u>1,352,074</u>
Total funds		<u><u>1,051,454</u></u>	<u><u>1,505,635</u></u>

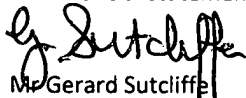
The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2019

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: 13/2/2020

COMPANY BALANCE SHEET
AS AT 31 JULY 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	2,860,316	2,873,014
Investments	16	2	2
		<u>2,860,318</u>	<u>2,873,016</u>
Current assets			
Stocks	17	20,341	7,688
Debtors	18	87,211	152,218
Cash at bank and in hand		183,297	146,482
		<u>290,849</u>	<u>306,388</u>
Creditors: amounts falling due within one year	19	(326,750)	(358,285)
Net current liabilities		<u>(35,901)</u>	<u>(51,897)</u>
Total assets less current liabilities		<u>2,824,417</u>	<u>2,821,119</u>
Creditors: amounts falling due after more than one year	20	(471,401)	(544,244)
Net assets excluding pension liability		<u>2,353,016</u>	<u>2,276,875</u>
Defined benefit pension scheme liability	26	(1,345,000)	(800,000)
Total net assets		<u><u>1,008,016</u></u>	<u><u>1,476,875</u></u>
Charity funds			
Restricted funds	21	158,019	153,561
Unrestricted funds			
Unrestricted funds excluding pension liability	21	2,194,997	2,123,314
Pension reserve	21	(1,345,000)	(800,000)
		<u>849,997</u>	<u>1,323,314</u>
Total unrestricted funds	21	<u>849,997</u>	<u>1,323,314</u>
Total funds		<u><u>1,008,016</u></u>	<u><u>1,476,875</u></u>

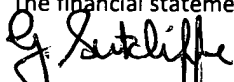
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NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
(A company limited by guarantee)

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2019

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: 13/2/2020

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash generated by operating activities	24	210,378	227,205
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		150	-
Purchase of tangible fixed assets		(73,320)	(68,760)
Net cash used in investing activities		(73,170)	(68,760)
Cash flows from financing activities			
Repayments of borrowing		(69,786)	(66,003)
Interest paid		(25,494)	(33,822)
Net cash used in financing activities		(95,280)	(99,825)
Change in cash and cash equivalents in the year		41,928	58,620
Cash and cash equivalents at the beginning of the year		196,228	137,608
Cash and cash equivalents at the end of the year	25	238,156	196,228

The notes on pages 22 to 53 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

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 (FRS 102) (effective 1 January 2015)-(Charities SORP (FRS102) as updated for Update Bulletin 1), 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.3 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.

2.4 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.

All expenditure is inclusive of irrecoverable VAT.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

2. Accounting policies (continued)

2.5 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 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

2.6 Investments

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

2.7 Stocks

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

2.8 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.

2.9 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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 benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 July 2019.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

2. Accounting policies (continued)

2.15 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.

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.

2.16 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.

2.17 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.

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

4. Income from donations and legacies

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations			
Pontefract race day income	10,150	10,150	20,060
Leger Legends income	55,000	55,000	50,716
	<u>65,150</u>	<u>65,150</u>	<u>70,776</u>
Total 2018	<u>70,776</u>	<u>70,776</u>	

5. Income from charitable activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Operation of educational and training college	66,140	1,041,250	1,107,390	827,186
ESFA	772,609	-	772,609	914,220
Other activity related income	55,033	-	55,033	42,734
Grants (see detailed breakdown below)	59,453	160,196	219,649	192,338
	<u>953,235</u>	<u>1,201,446</u>	<u>2,154,681</u>	<u>1,976,478</u>
Total 2018	<u>1,815,415</u>	<u>161,063</u>	<u>1,976,478</u>	

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

Grants

	2019 £	2018 £
Shortening the odds	-	40,000
Regional training grant	52,853	35,250
Pony racing grant	-	10,000
Funding expert contribution	8,843	8,663
Commercial assistance	-	50,000
Racing welfare	14,500	7,250
Rider training	-	9,900
Accommodation review	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	-
Total restricted grants	160,196	161,063
Mobile training vehicle	-	19,275
Entry to employment	-	12,000
Princes Trust / BHA	32,000	-
Regional training support	12,453	-
14-16 year old programme	15,000	-
Total unrestricted grants	59,453	31,275
Total	219,649	192,338

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

6. Income from other trading activities

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
NHC Trading Limited	149,783	149,783	114,302
Total 2018	114,302	114,302	

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. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Fundraising and publicity	1,783	1,783	1,740
Voluntary income staff costs	54,360	54,360	10,392
	56,143	56,143	12,132

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

7. Expenditure on raising funds (continued)

Other trading expenses

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Cost of sales	65,214	65,214	69,641
Administration expenses	11,481	11,481	42,626
Depreciation	8,100	8,100	7,516
Total 2019	84,795	84,795	119,783

In 2018 £Nil of the expenditure on raising funds was restricted.

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Operation of educational and training college	978,764	1,173,599	2,152,363	1,934,410
Pension cost	21,000	-	21,000	28,000
Total 2019	999,764	1,173,599	2,173,363	1,962,410
Total 2018	1,813,126	149,284	1,962,410	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

9. Summary by expenditure category

	2019 £	2018 £
Training costs	73,129	70,371
Accommodation	384,508	315,576
Stable yard	156,778	131,806
Staff costs	691,627	684,529
National Insurance	77,136	75,028
Pension costs	89,493	91,805
FRS 17 finance costs	21,000	28,000
Depreciation	86,018	78,785
Total direct costs	1,579,689	1,475,900
Administration costs	220,900	201,809
Staff costs	142,229	19,741
Total management and administration	363,129	221,550
Support administration costs	48,491	46,630
Total support costs	48,491	46,630
Governance costs (see note 11)	182,054	218,330
Overall Total	2,173,363	1,962,410

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

10. Other expenditure

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Bank and other interest	2,105	23,389	25,494	33,822
Total 2018	33,822	-	33,822	

11. Governance costs

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Auditor's remuneration	9,370	-	9,370	8,125
Trustees' expenses	2,434	-	2,434	2,447
Legal and professional	46,315	11,955	58,270	10,682
Salaries and related charges	110,033	1,947	111,980	197,076
Overall Total	168,152	13,902	182,054	218,330

In 2018 £41,358 of governance costs related to restricted expenditure and £176,972 related to unrestricted expenditure.

12. Net income/(expenditure)

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets owned by the charitable company	85,473	77,656
Depreciation of tangible fixed assets held under finance leases	8,645	8,645
Auditor's remuneration- audit	9,370	9,125
Total	103,488	95,426

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

13. Staff costs

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	960,198	911,737	960,198	911,737
Social security costs	77,136	75,028	77,136	75,028
Pension costs	129,493	91,805	129,493	91,805
	<u>1,166,827</u>	<u>1,078,570</u>	<u>1,166,827</u>	<u>1,078,570</u>

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

Group 2019 No.	Group 2018 No.
<u>43</u>	<u>38</u>

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

	Group 2019 No.	Group 2018 No.
In the band £90,001 - £100,000	1	1

The total remuneration and benefits received by key management personnel was £320,017 (2018: £298,555). 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.

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2018 - £NIL).

During the year ended 31 July 2019, expenses totalling £2,434 were reimbursed or paid directly to 6 Trustees (2018 - £2,447 to 7 Trustees). These expenses relate to the reimbursement of travel expenses incurred by the Trustees when attending National Horseracing College Trustee meetings and events.

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

15. 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 2018	815,967	463,619	1,239,582	652,271	818,936	440,968	47,652	4,478,995
Additions	714	-	-	-	18,229	54,377	-	73,320
Disposals	-	-	-	-	-	(150)	-	(150)
At 31 July 2019	816,681	463,619	1,239,582	652,271	837,165	495,195	47,652	4,552,165
Depreciation								
At 1 August 2018	191,189	245,117	275,014	150,874	439,618	215,439	41,007	1,558,258
Charge for the year	22,111	3,518	11,179	6,669	13,725	34,722	2,194	94,118
At 31 July 2019	213,300	248,635	286,193	157,543	453,343	250,161	43,201	1,652,376

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

15. 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 £
<i>Net book value</i>								
At 31 July 2019	603,381	214,984	953,389	494,728	383,822	245,034	4,451	2,899,789
At 31 July 2018	624,778	218,502	964,568	501,397	379,318	225,529	6,645	2,920,737

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

15. Tangible fixed assets (continued)

Company

	Freehold property £	Long-term leasehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost or valuation</i>								
At 1 August 2018	815,967	463,619	1,235,441	652,271	818,936	327,792	47,652	4,361,678
Additions	714	-	-	-	18,229	54,377	-	73,320
At 31 July 2019	816,681	463,619	1,235,441	652,271	837,165	382,169	47,652	4,434,998
<i>Depreciation</i>								
At 1 August 2018	191,189	245,117	274,272	150,874	439,618	146,587	41,007	1,488,664
Charge for the year	22,111	3,518	11,096	6,669	13,725	26,705	2,194	86,018
At 31 July 2019	213,300	248,635	285,368	157,543	453,343	173,292	43,201	1,574,682
<i>Net book value</i>								
At 31 July 2019	603,381	214,984	950,073	494,728	383,822	208,877	4,451	2,860,316
At 31 July 2018	624,778	218,502	961,169	501,397	379,318	181,205	6,645	2,873,014

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

16. Fixed asset investments

<i>company</i>	Investments in subsidiary companies £
<i>Cost or valuation</i>	
At 1 August 2018	2
<i>At 31 July 2019</i>	<u>2</u>
<i>Net book value</i>	
<i>At 31 July 2019</i>	<u>2</u>
<i>At 31 July 2018</i>	<u>2</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

16. 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/(Loss)/ Surplus/ (Deficit) for the year £	Net assets £
NHC Trading Limited	149,783	(134,796)	14,987	43,440

17. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Finished goods	31,403	17,746	20,341	7,688

18. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
<i>Due within one year</i>				
Trade debtors	28,065	81,121	21,777	73,268
Amounts owed by group undertakings	-	-	57,977	62,358
Other debtors	617	1,804	617	1,804
Prepayments and accrued income	6,840	14,788	6,840	14,788
	35,522	97,713	87,211	152,218

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19. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	3	-	3	-
Bank loans	52,157	53,822	52,157	53,822
Trade creditors	111,904	172,493	107,106	156,639
Other taxation and social security	37,127	37,673	32,660	30,267
Obligations under finance lease and hire purchase contracts	4,228	4,228	4,228	4,228
Other creditors	131,596	114,329	130,596	113,329
	337,015	382,545	326,750	358,285

The hire purchase contract is secured against the asset to which it relates.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans	465,590	533,711	465,590	533,711
Net obligations under finance lease and hire purchase contracts	5,811	10,533	5,811	10,533
	471,401	544,244	471,401	544,244

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Repayable by instalments	188,842	283,477	188,842	283,477
	188,842	283,477	188,842	283,477

Bank loans and over drafts 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 5.955% and 5.5% above base rate on the principal amount. Interest on bank overdrafts is payable at 5.55% above base rate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

21. Statement of funds

Statement of funds - current year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
<i>Unrestricted funds</i>						
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
<i>Restricted funds</i>						
Horseracing grant scheme	60,000	-	-	-	-	60,000
Regional training grant	15,785	52,853	(41,369)	-	-	27,269
Shortening the odds	17,800	-	(17,800)	-	-	-
Racing to school	3,587	-	(3,587)	-	-	-
Racing welfare	2,880	14,500	(16,800)	-	-	580
Rider training programme	5,482	-	(5,482)	-	-	-
Commercial assistance	48,027	-	(48,027)	-	-	-
Contract co-ordinator	-	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
Accommodation review	-	10,000	(10,000)	-	-	-
Peter O'Sullivan Trust - Fitness facility	-	14,000	-	-	-	14,000
BHA & HBLB programmes	-	1,041,250	(1,041,250)	-	-	-

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

Statement of funds - current year (continued)

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
	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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2018 £
Unrestricted funds						
General funds	1,884,577	1,886,191	(1,827,080)	179,625	-	2,123,313
Reserves held in subsidiary	175,267	114,302	(119,783)	(141,025)	-	28,761
Pension reserve	(1,124,000)	-	(32,000)	-	356,000	(800,000)
	<u>935,844</u>	<u>2,000,493</u>	<u>(1,978,863)</u>	<u>38,600</u>	<u>356,000</u>	<u>1,352,074</u>
Restricted funds						
Horseracing grant scheme	60,000	-	-	-	-	60,000
Regional training grant	-	35,250	(19,465)	-	-	15,785
Shortening the odds	18,778	40,000	(40,978)	-	-	17,800
Racing to school	7,722	-	(4,135)	-	-	3,587
Racing welfare	-	7,250	(4,370)	-	-	2,880
Rider training programme	-	9,900	(4,418)	-	-	5,482
Commercial assistance	34,558	50,000	(36,531)	-	-	48,027
Pony racing	-	10,000	(10,000)	-	-	-
Fibre line and internet upgrade	2,480	-	(2,480)	-	-	-
SMS text messaging	3,420	-	(3,420)	-	-	-
Mobile training	53,424	-	(14,824)	(38,600)	-	-
Contract co-ordinator	-	8,663	(8,663)	-	-	-
	<u>180,382</u>	<u>161,063</u>	<u>(149,284)</u>	<u>(38,600)</u>	<u>-</u>	<u>153,561</u>

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

Statement of funds - prior year (continued)

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2018 £
<i>Total of funds</i>	1,116,226	2,161,556	(2,128,147)	-	356,000	1,505,635

**NOTES TO THE FINANCIAL STATEMENTS
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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 fund 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 Shortening the Odds fund represents a grant received from the Racing Foundation to develop a curriculum that specifically addresses the barriers disadvantaged young people have to learning and employment and implement a professional development programme for staff to support this curriculum; and appoint an outreach worker to liaise with schools, local authority services, carers and other charitable organisations seeking to find opportunities, and provide support, for disadvantaged young people.

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 resilient and effective communicators who are equipped for independent living.

The Rider development coaching programme is a new initiative and an extension of the Regional Training work to introduce a level 1 coaching programme to enable senior yard staff to more effectively guide the development of less experienced riders skills.

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.

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.

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 accommodation 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 accommodation facilities.

The Fitness facility grant is monies received in order to upgrade the fitness facilities at 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 its courses and help with the day to day running of the facility.

**NOTES TO THE FINANCIAL STATEMENTS
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Restricted funds continued

The fibre line and internet upgrade fund represents a grant received from the British Horseracing Education & Standards Trust for the upgrade of the internet, which is included in fixed assets, and to cover the costs of the broadband over the next three years.

The Pony racing grant fund represents a grant received from the Racing Foundation in connection with setting up a new Pony Racing Academy.

SMS text messaging is for funding a two year pilot of the SMS Safeguarding project to use innovative technology as a proactive contribution to student welfare and retention.

Mobile training is a grant to cover the cost of the purchase of a horsebox, simulator and other items to improve the delivery of Regional Training activity.

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**NOTES TO THE FINANCIAL STATEMENTS
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22. Summary of funds

Summary of funds - current 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
	<u>1,505,635</u>	<u>2,369,614</u>	<u>(2,339,795)</u>	<u>-</u>	<u>(484,000)</u>	<u>1,051,454</u>

Summary of funds - prior year

	Balance at 1 August 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2018 £
General funds	935,844	2,000,493	(1,978,863)	38,600	356,000	1,352,074
Restricted funds	180,382	161,063	(149,284)	(38,600)	-	153,561
	<u>1,116,226</u>	<u>2,161,556</u>	<u>(2,128,147)</u>	<u>-</u>	<u>356,000</u>	<u>1,505,635</u>

23. Analysis of net assets between funds

Analysis of net assets between funds - current year

	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	<u>893,435</u>	<u>158,019</u>	<u>1,051,454</u>

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23. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	2,920,737	-	2,920,737
Current assets	158,126	153,561	311,687
Creditors due within one year	(382,545)	-	(382,545)
Creditors due in more than one year	(544,244)	-	(544,244)
Provisions for liabilities and charges	(800,000)	-	(800,000)
Total	1,352,074	153,561	1,505,635

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

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

	Group 2019 £	Group 2018 £
Net income for the year (as per Statement of Financial Activities)	29,819	33,409
Adjustments for:		
Depreciation charges	94,118	86,301
Loss on the sale of fixed assets	-	7,583
(Increase)/decrease in stocks	(13,657)	10,094
Decrease in debtors	62,191	54,551
Decrease in creditors	(48,587)	(30,555)
Interest paid	25,494	33,822
Defined benefit pension adjustment	61,000	32,000
Net cash provided by operating activities	210,378	227,205

25. Analysis of cash and cash equivalents

	Group 2019 £	Group 2018 £
Cash in hand	238,156	196,228
Total cash and cash equivalents	238,156	196,228

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

26. 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 £18,578 (2018: £17,937). Contributions totalling £1,555 (2018: £1,604) 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 2018 and to the 31 July 2019 specifically for the college by Mercer Human Resource Consulting Limited.

The contributions made for the year ended 31 July 2019 were £60,000 and the contribution rates expected for the year ended 31 July 2019 are £62,000.

At the balance sheet date there were outstanding contributions payable of £2,515 (2018: £2,272).

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

	At 31 July 2019 %	At 31 July 2018 %
Discount rate	2.20	2.90
Future salary increases	3.45	3.35
Future pension increases	2.30	2.20

NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

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

	At 31 July 2019 £	At 31 July 2018 £
Equities	1,560,000	1,472,000
Government bonds	426,000	395,000
Other bonds	218,000	202,000
Property	259,000	268,000
Cash and other liquid assets	95,000	127,000
Other	423,000	301,000
Total fair value of assets	2,981,000	2,765,000

The actual return on scheme assets was £217,000 (2018 - £189,000).

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

	2019 £	2018 £
Current service cost	(56,000)	(62,000)
Past service cost	(43,000)	-
Interest income	(80,000)	-
Interest cost	(21,000)	(28,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the Consolidated Statement of Financial Activities	(201,000)	(91,000)

NOTES TO THE FINANCIAL STATEMENTS
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26. Pension commitments (continued)

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

	2019 £
Opening defined benefit obligation	3,565,000
Interest cost	101,000
Actuarial losses/(gains)	621,000
Benefits paid	(73,000)
Current service costs	56,000
Past service costs	43,000
Contributions by scheme participants	13,000
Closing defined benefit obligation	4,326,000

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

	2019 £
Opening fair value of scheme assets	2,765,000
Interest on plan assets	80,000
Actuarial gains	137,000
Administration expenses	(1,000)
Contributions by employer	60,000
Contributions by scheme participants	13,000
Benefits paid	(73,000)
Closing fair value of scheme assets	2,981,000

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

	2019 £	2018 £
Defined benefit obligation	(4,326,000)	(3,565,000)
Scheme assets	2,981,000	2,765,000
Deficit	(1,345,000)	(800,000)
Experience adjustments on scheme liabilities	(621,000)	233,000
Experience adjustment on scheme assets	137,000	123,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

27. Operating lease commitments

At 31 July 2019 the group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £
Not later than 1 year	15,353	17,366
Later than 1 year and not later than 5 years	5,981	16,503
	<u>21,334</u>	<u>33,869</u>

28. Related party transactions

During the year a tractor was purchased for £10,750 from a close family member of the CEO. There were no related party transactions in 2018.

During the year purchases were made from NHC Trading Limited (a wholly owned trading subsidiary) totalling £3,962 (2018: £1,899). Management charges made in the year to NHC Trading Limited were £50,000 (2018: £nil).

29. Controlling party

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