

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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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 Beavor Court, Pontefract Road, Barnsley, S71 1HG

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Trustees' Annual Report *(continued)*

Year ended 31 July 2023

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.

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Trustees' Annual Report *(continued)*

Year ended 31 July 2023

- 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.

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Trustees' Annual Report *(continued)*

Year ended 31 July 2023

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.

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Trustees' Annual Report *(continued)*

Year ended 31 July 2023

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.

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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 shows 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%

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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'Sullivan 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.

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Trustees' Annual Report *(continued)*

Year ended 31 July 2023

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

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Trustees' Annual Report *(continued)*

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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

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Trustees' Annual Report *(continued)*

Year ended 31 July 2023

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.

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Trustees' Annual Report *(continued)*

Year ended 31 July 2023

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

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Trustees' Annual Report *(continued)*

Year ended 31 July 2023

for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

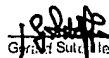
Each of the persons who are trustees at the time when this Trustees' report is approved has confirmed that:

- 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:



Gerard Sutcliffe

Mr Gerard Sutcliffe

Date: Mar 6, 2024

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Independent Auditor's Report to the Members of National Horseracing College

Year ended 31 July 2023

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.

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Independent Auditor's Report to the Members of National Horseracing College

(continued)

Year ended 31 July 2023

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.

National Horseracing College

Company Limited by Guarantee

Independent Auditor's Report to the Members of National Horseracing College

(continued)

Year ended 31 July 2023

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;
-

National Horseracing College

Company Limited by Guarantee

Independent Auditor's Report to the Members of National Horseracing College

(continued)

Year ended 31 July 2023

- 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: 11 April 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
		<u>3,133,376</u>	<u>3,062,162</u>
Current assets			
Stocks	18	52,260	19,235
Debtors	19	44,251	97,018
Cash at bank and in hand		97,917	245,714
		<u>194,428</u>	<u>361,967</u>
Creditors: amounts falling due within one year	20	(533,123)	(422,529)
Net current liabilities		<u>(338,695)</u>	<u>(60,562)</u>
Total assets less current liabilities		<u>2,794,681</u>	<u>3,001,600</u>
Creditors: amounts falling due after more than one year	21	(30,019)	(97,530)
Net assets excluding pension asset/(liability)		<u>2,764,662</u>	<u>2,904,070</u>
Defined benefit pension scheme asset/(liability)	28	441,000	(164,000)
Total net assets		<u><u>3,205,662</u></u>	<u><u>2,740,070</u></u>
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
		<u>2,461,281</u>	<u>2,657,041</u>
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	<u>2,902,281</u>	<u>2,493,041</u>
Total funds		<u><u>3,205,662</u></u>	<u><u>2,740,070</u></u>

National Horseracing College

Company Limited by Guarantee

Consolidated Statement of Financial Position *(Continued)*

Year ended 31 July 2023

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

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

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


Gerard Sutcliffe

Mr Gerard Sutcliffe

(Chair of Trustees)

Date: Mar 6, 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
		<u>3,104,896</u>	<u>3,030,472</u>
Current assets			
Stocks	18	40,266	9,539
Debtors	19	55,062	192,782
Cash at bank and in hand		71,893	132,367
		<u>167,221</u>	<u>334,688</u>
Creditors: amounts falling due within one year	20	(515,956)	(402,080)
Net current liabilities		<u>(348,735)</u>	<u>(67,392)</u>
Total assets less current liabilities		<u>2,756,161</u>	<u>2,963,080</u>
Creditors: amounts falling due after more than one year	21	(30,019)	(97,530)
Net assets excluding pension asset/(liability)		<u>2,726,142</u>	<u>2,865,550</u>
Defined benefit pension scheme asset/(liability)	28	441,000	(164,000)
Total net assets		<u><u>3,167,142</u></u>	<u><u>2,701,550</u></u>

National Horseracing College

Company Limited by Guarantee

Company Statement of Financial Position (Continued)

Year ended 31 July 2023

	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:


Gerard Sutcliffe

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

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 July 2023

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.

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.

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2023

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.

National Horseracing College
Company Limited by Guarantee
Notes to the Financial Statements *(Continued)*
Year ended 31 July 2023

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 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.

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2023

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.

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2023

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.

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2023

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
	<u>31,136</u>	<u>31,136</u>	<u>41,500</u>
Total 2022	<u>41,500</u>	<u>41,500</u>	

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2023

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
	<u>1,225,548</u>	<u>1,607,100</u>	<u>2,832,648</u>	<u>2,549,647</u>
Total 2022	<u>1,079,117</u>	<u>1,470,530</u>	<u>2,549,647</u>	

Grants

	2023 £	2022 £
Regional training grant	-	41,399
BHA	159,000	159,000
NARS - refurbishment of recreation room	18,894	-
Peter O'Sullivan - 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	<u>292,374</u>	<u>244,899</u>
Regional training support	-	12,000
Total unrestricted grants	<u>-</u>	<u>12,000</u>
Total	<u>292,374</u>	<u>256,899</u>

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2023

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
	<u>141,857</u>	<u>141,857</u>	<u>125,271</u>
Total 2022	125,271	125,271	
	<u>125,271</u>	<u>125,271</u>	

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	-
	<u>89,060</u>	<u>89,060</u>	<u>-</u>

National Horseracing College
Company Limited by Guarantee
Notes to the Financial Statements *(Continued)*
Year ended 31 July 2023

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
	<u>128,868</u>	<u>-</u>	<u>128,868</u>	<u>128,631</u>
Total 2022	<u>101,767</u>	<u>26,864</u>	<u>128,631</u>	

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	<u>78,436</u>	<u>78,436</u>	<u>68,887</u>
Total 2022	<u>68,887</u>	<u>68,887</u>	

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2023

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	

National Horseracing College
Company Limited by Guarantee
Notes to the Financial Statements *(Continued)*
Year ended 31 July 2023

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
<i>Total direct costs</i>	2,177,189	1,906,219
Administration costs	333,585	272,555
Staff costs	341,338	223,760
<i>Total management and administration</i>	674,923	496,315
Support administration costs	70,773	59,829
<i>Total support costs</i>	70,773	59,829
Governance costs (see note 12)	132,623	118,107
<i>Overall Total</i>	3,055,508	2,580,470

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2023

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

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2023

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
	<u>1,767,009</u>	<u>1,436,494</u>	<u>1,767,009</u>	<u>1,436,494</u>

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

Group 2023 No.	Group 2022 No.
<u>59</u>	<u>51</u>

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

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2023

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	<u>816,681</u>	<u>478,125</u>	<u>1,244,177</u>	<u>728,795</u>	<u>985,277</u>	<u>786,846</u>	<u>141,662</u>	<u>5,181,563</u>
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	<u>276,210</u>	<u>267,060</u>	<u>329,307</u>	<u>183,342</u>	<u>509,504</u>	<u>398,552</u>	<u>84,211</u>	<u>2,048,185</u>

National Horseracing College
Company Limited by Guarantee
Notes to the Financial Statements (Continued)
Year ended 31 July 2023

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
	£	£	£	£	£	£	£	£
<i>Net book value</i>								
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

National Horseracing College
Company Limited by Guarantee
Notes to the Financial Statements (Continued)
Year ended 31 July 2023

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	<u>816,681</u>	<u>478,125</u>	<u>1,240,036</u>	<u>728,795</u>	<u>985,277</u>	<u>661,813</u>	<u>141,662</u>	<u>5,052,389</u>
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	<u>276,210</u>	<u>267,060</u>	<u>328,150</u>	<u>183,342</u>	<u>509,504</u>	<u>299,018</u>	<u>84,211</u>	<u>1,947,495</u>

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2023

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 £
<i>Net book value</i>								
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

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2023

17. Fixed asset investments

<i>Company</i>	Investments in subsidiary companies £
<i>Cost or valuation</i>	
At 1 August 2022	2
At 31 July 2023	<u>2</u>
<i>Net book value</i>	
At 31 July 2023	<u>2</u>
At 31 July 2022	<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.

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2023

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

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2023

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
	<u>533,123</u>	<u>422,529</u>	<u>515,956</u>	<u>402,080</u>

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
	<u>30,019</u>	<u>97,530</u>	<u>30,019</u>	<u>97,530</u>

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.

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2023

22. Statement of funds

Statement of funds - current year

	Balance at 1 August 2022 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 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
	<u>2,436,706</u>	<u>1,487,601</u>	<u>(1,729,406)</u>	<u>8,045</u>	<u>643,000</u>	<u>2,845,946</u>
Total Unrestricted Funds	<u>2,493,041</u>	<u>1,487,601</u>	<u>(1,729,406)</u>	<u>8,045</u>	<u>643,000</u>	<u>2,902,281</u>
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'Sullivan 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	-	90,000	(90,000)	-	-	-

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2023

vehicle						
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

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2023

22. Statement of funds (continued)

Statement of funds - prior 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 fund	(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'Sullivan Trust	48,125	-	-	-	-	48,125
Racing Foundation - Lunge Pen	8,045	-	-	-	-	8,045
Big Lottery funding	28,912	-	(28,912)	-	-	-
Peter O'Sullivan – simulator	-	30,000	-	(30,000)	-	-
BHA & HBLB programmes	-	1,240,131	(1,240,131)	-	-	-

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2023

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 31 July 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

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2023

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 its 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.

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2023

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
	<u>2,740,070</u>	<u>3,094,702</u>	<u>(3,272,110)</u>	<u>-</u>	<u>643,000</u>	<u>3,205,662</u>

Summary of funds - prior 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
	<u>1,280,509</u>	<u>2,716,418</u>	<u>(2,793,857)</u>	<u>-</u>	<u>1,537,000</u>	<u>2,740,070</u>

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	<u>2,902,281</u>	<u>303,381</u>	<u>3,205,662</u>

National Horseracing College
Company Limited by Guarantee
Notes to the Financial Statements *(Continued)*
Year ended 31 July 2023

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

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2023

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)

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2023

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
	<hr/>	<hr/>
	At 31 July 2023 Years	At 31 July 2022 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
	<hr/>	<hr/>

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2023

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

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2023

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

National Horseracing College

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2023

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
	<u>69,274</u>	<u>2,785</u>	<u>69,274</u>	<u>2,785</u>

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	<u>86,885</u>	<u>5,258</u>	<u>86,885</u>	<u>5,258</u>

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.