

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

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

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NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2020**

Trustees

Mr Gerard Sutcliffe, Chairman
Mr Howard Wright, Deputy Chairman
Mr Timothy Adams MBE
Mr Timothy Lyle
Mr James Hetherton
Mr Jeffrey Ennis
The Honourable Oliver Greenall
Mr Christopher Mallinson (resigned 13 December 2020)
Ms Susannah Cordelia Gill
Ms Nicola Frampton
Ms Sally Iggulden
Mr N Brewster

Company registered number

02266267

Charity registered number

700405

Registered office

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

Patron

Countess of Halifax

Chief executive officer

Mr Stephen Padgett OBE

Independent auditor

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

Bankers

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

Solicitors

Jordans, 4 Priory Place, Doncaster, DN1 1BP

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

Pension Administrators

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

Vice Presidents

Mr Colin Wedd (deceased January 2020)

Mr Martin Crawshay

Mr Sandy Struthers

Sir Robert Ogden CBE LLD

Monsieur Didier Garnier

Mr Roy Thwaites

Mr Gordon Gallimore

The Rt Hon Richard Caborn

Ms Julie Krone

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2020**

The Trustees are pleased to present their report together with the financial statements of the charity for the year ended 31 July 2020. The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

Objectives and activities**a. Policies and objectives**

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

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

b. Strategies for achieving objectives

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

c. Activities undertaken to achieve objectives

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

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

Objectives and activities (continued)**d. Main activities undertaken to further the company's purposes for the public benefit**

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

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

Achievements and performance**a. Review of activities**

In accordance with its plans and as reported in last year's report, the College changed its title to The National Horseracing College (NHC) with effect from 1 August 2019. This new title describes much more appropriately the College's status, its customer base and its perspective. The change was implemented 35 years after the College's founding under its first title as The South Yorkshire Apprentice Racing Training School.

This report covers an extraordinary period for the College, the racing industry, our Nation and the world due to the severe effects of the COVID-19 coronavirus pandemic. Through the first part of this reporting period, the optimism, growth and general progress that characterised the years since 2015 continued. Indicators of success included continued improvements in the College's financial position, investment in its equipment and facilities and the fact that, in the calendar year 2019, it delivered over 20,000 person training days, more than in any year since it opened in 1984. Justifiable optimism underpinned the College's view of its future and its decision making.

In March 2020, everything changed when the UK Government imposed a National lockdown to limit the damage of COVID-19. While the consequences of the coronavirus pandemic will continue to be felt for years to come, this report is written in the confident expectation that the robust, timely and effective actions of the NHC's leaders have not only protected the College from what could have been an existential threat but have positioned it to continue to succeed through and beyond these extraordinary and deeply challenging times. In addition, Trustees wish to register their appreciation for the very supportive positions adopted by partners in the industry, the flexibility and resilience of the College's staff and the patient stoicism of learners.

Study Programmes

The NHC study programmes fall into the categories of the horseracing industry Foundation Courses (FC) and general equine Doncaster Equine College (DEC) Programme.

The residential Foundation Course programme of 12 weeks duration is followed by a 6 week work placement planned with an employer. The significant majority of learners this year were 16-18 year olds but a small number of 19+ learners attended also. Learners follow an intensive curriculum to prepare them for the world of work that includes social development skills covering employability, cooking, resilience, self-belief, time management skills and preparation for functional skills at different levels. They learn a range of other additional skills such as transportation of horses and emergency first aid.

A total of 76 learners celebrated their success at graduation ceremonies, latterly these had to take place over Zoom to

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

Achievements and performance (continued)

allow parents, friends and carers to be involved. Parent/carer feedback about the personal development and improved behaviour of their children is extraordinarily positive. While it is intended that as many as possible of those who graduate from the Foundation Course go into work placement and then apprenticeship, there was a slight and anticipated decline in learners moving to positive destinations during this reporting period due to the disruption caused by the pandemic.

Qualifications include L1 Diploma in Racehorse Care and Riding, L1 Diploma in Work-Based Horse Care, Entry 3 Award in Basic Knowledge of the Horseracing Industry for the FC and L1, 2 & 3 Horse Care Certificates and Diplomas for DEC. Functional skills are included – also GCSEs for some learners. This has been a particularly challenging year due to COVID-19 and several cohorts were put on hold for a short period. Residential students were required to stay on site without access to visitors for certain periods and this caused a degree emotional distress for some students.

Functional English (72.9%) and Mathematics (81.0%) results are good considering the starting points of learners. GCSE achievement rates are English (100%) and Mathematics (60%) albeit with very small numbers.

A means of establishing the starting points of learners in more depth has shown a clear correlation between those starting points and retention and achievement rates. The challenges for 2019/2020 cohorts are illustrated by the following statistics:

- 40% have received counselling or had a support worker
- 30% have a self-stated learning difficulty
- 27% consider they have a mental health problem
- 13% did not complete school
- 12% have an EHCP (Education, Health & Care Plan)
- 9% were fostered/in care/adopted
- 7% have a self-stated physical health problem
- 5% have a self-stated disability

The extent of disadvantage among learners entering the College has increased but dedicated staff continue to enable students to improve achievements and progressions. Despite other difficulties, the College's approach this year led to the retention rate for all age groups on the Foundation Course reaching an extraordinarily impressive 93%, the highest for at least a decade.

Apprenticeships

The curriculum offer in 2019/2020 comprised Level 2 and Level 3 apprenticeships in racehorse care and management. There were 113 learners in learning overall, a reduction on the previous year. Additional non-racing apprenticeships continue to be offered.

Achievement levels have declined on previous years due to COVID-19 and the difficulties around arranging end point assessments (EPA) in 2020. Overall achievement in 2019/2020 was 75% compared to the previous year of 91%. Although a notable drop, results still are 10% higher than the national average. Level 3 apprentices achieved at 86% whilst Level 2 apprentices achieve at 69%.

In the transition from Apprenticeship Frameworks to new Standards, NHC challenged the awarding organisation to enable flexible end-point assessments as a result of the COVID-19 restrictions. Impressively, 100% of apprentices who transitioned to the new Apprenticeship Standards and completed EPA achieved the qualification standard and two achieved distinctions.

The transition to new Standards for the racing industry has seen additional qualifications offered to Equine Groom Apprentices including emergency first aid, transporting horses by road on short/long journeys and level 2 functional skills. Learners and their supervisors are encouraged to take the BHA accredited industry specific safeguarding learning

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

Achievements and performance (continued)

programme.

The support for learners transitioning from FC to their work placements has increased, with consequent improvement in progressions to apprenticeships. Every effort is made to ensure learners are matched successfully to employers and this is paying dividends in terms of retention. Learners on apprenticeships are employed in line with a national wage scale sanctioned by the British Horseracing Authority, which exceeds Apprenticeship wage requirements. Most learners are on apprenticeships for up to 18 months. Not every placement will be totally satisfactory and if learners really do need a different environment, NHC works hard to help find alternatives and maintains close contact to retain the learner in learning.

Priorities, Activities and Achievements

Constant priorities around safeguarding and our duty of care to learners on residential courses, learners in the workplace and to staff took a new twist with the emergence of the COVID-19 threat during this year. Significant efforts were made to learn rapidly about available, effective COVID safety measures, adapting protocols shown to be successful in other environments to the specific situation at the NHC. Clearly, a very high priority also was to ensure the viability of the business. Urgent, complex and comprehensive financial modelling informed vitally important, time-sensitive decisions. Detailed analysis and forecasting also allowed the impact of the pandemic to be assessed and then described clearly to inform decision-making by external entities looking for most appropriate ways to support the racing industry through the crisis. Management decisions around operational activities were successful in preserving cash in the business by, for example, reducing outgoings, re-scheduling works and making optimal use of the Government's job retention (furlough) scheme. Meanwhile, managers and all staff whose duties allowed, transitioned swiftly and remarkably successfully to remote working to reduce the risks to residential learners and to those staff who had to be on site to do their jobs.

Marketing and Recruiting

Additional resources put into this area over recent years seem to be reaping benefits in terms of increased expressions of interest, increased engagement through social media and increased applications for attendance on the FC. It is too early to tell if the consequences for the wider national economy of the pandemic or even the consequences of Brexit may affect numbers seeking jobs in the racing industry or the number of jobs on offer. However, marketing and recruiting efforts continue apace as the industry as a whole had a significant shortfall of staff pre-pandemic and, even if some contraction occurs, there was plenty of ground to make up and the NHC has to support that effort.

Fundraising and Commercial Activities

These activities had been continuing on a steadily improving track this year, with fundraising doing notably well. However, COVID-19 put paid to many of the plans and otherwise reasonable expectations for the second half of the year. Facilities could not be let, grant making bodies shifted many of their targets for donations elsewhere and opportunities to engage the public virtually ceased. Innovative ideas are being developed for the future but had not had meaningful impact in the financial year to which this report applies.

Infrastructure and Equipment

The early months of this period saw continued progress towards addressing identified infrastructure shortcomings. The onset of the pandemic and the urgent requirement for adaptations to residential accommodation and other infrastructure saw a variety of rapid transformations. Much of the work to turn twin rooms into singles, to change the use of other rooms into bedrooms and increase classrooms to allow social distancing during classes was carried out by the NHC's own maintenance team, at remarkably low cost and with great success.

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Achievements and performance (continued)

Early in 2020, the NHC's landlord announced that the land the College holds on a 99 year lease (to 2095), which is approximately half of the area occupied by the NHC but upon which the majority of its built infrastructure is sited, was to be offered for sale at an asking price of £1.5m. Efforts by the College to identify the means by which the College might become the owner of its freehold were unsuccessful. It is unclear what will be the outcome of the sale but Trustees are entirely confident in the security of the College's lease and do not foresee the transfer of ownership posing any meaningful threat to the enterprise but hope it might present opportunities for future improvements.

Financial review**a. Going concern**

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

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

Steps taken by central government, local authorities and the racing industry already have helped to support the College's own efforts to sustain its staff and learners through this period of global adversity. While the pandemic is not yet over, uncertainties remain, but the business has taken decisive and effective measures to preserve cash flow and increase its resilience.

The Trustees have prepared forecasts of income and expenditure and cash flow for the period to 28 February 2022 which shows that they have sufficient cash to be able to continue for the foreseeable future.

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

b. Reserves policy

For some years, the College has been unable to comply with its policy to hold free reserves of between one and two months of the resources expended. However, small surpluses in unrestricted funds in recent years had allowed the College at least to begin to work towards adherence which continues to be its aspiration (£200k to £400k in 2019/20). The onset of the global pandemic highlighted the need for any business to maintain a reserve. The NHC has been fortunate to be supported by continued regular contract payments from the racing industry and some additional support recognising the significant impact that will result over the coming year to two years due to cohorts of learners which could not enter the training pipeline. Management decisions have, very determinedly, sought to preserve liquidity in the business to allow it successfully to weather a storm that has yet to impact fully but which most certainly will over the next one or two financial years.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

c. Financial performance

The College's financial circumstances have continued to improve from the positions in which it found itself in 2015 and 2016. Justifiable optimism has continued therefore, to underpin the College's view of its future and its decision making.

The racing industry's commitment to the vital role played by the College have continued to be manifest in the payments it has made for the training it has provided. Both the BHA and the Horserace Betting Levy Board (HBLB) have declared their determined desire to continue to commit similar resources to people training and development in the industry despite expectations of somewhat reduced revenue to the industry overall.

The NHC's own revenue generation efforts have continued to develop and add important resources to support its outputs. Meanwhile, there has been no let-up in our determination to maintain or even improve the leanness and efficiency of operations to make the best of what we have.

Government funding continues to be an important source of income despite reductions described in previous years' reports. Income shortfalls due to changes in the apprenticeship system have not turned out to be as bad as we feared. The College continues to draw down every bit of Government money that is available legitimately to offset the cost of training activities to the industry. Ongoing strenuous efforts have been made to help the industry understand the situation have led to increasing acceptance that, to sustain the vital contribution of its training providers, racing has to fill the gap between Government subsidies and the cost of provision.

The operating surplus for the year was £274,803 (2019: £29,819) but has to show an actuarial loss for UK accounting purposes, which doesn't affect cash, of £498,000 (2019: £484,000) due to periodic revaluation of pension liabilities leading to a net deficit for the year of £223,197 (2019: £454,181).

Total funds carried forward at the year end are £828,257 (2019: £1,051,454) of which £565,087 (2019: £893,435) are unrestricted and £263,170 (2019: £158,019) are restricted.

d. Pension liability

The Accounting for Pensions regulations have once again had a significant impact on the net assets position of the charity. The latest actuarial valuation of the scheme resulted in an increase in the liability of the defined benefit pension scheme of £538k, from £1.345 million to £1.883 million. There was a similar charge (£545k) in the 2019 accounts resulting in the net funds of NHC reducing by £1,083k in the past two years as a consequence of these pension valuations.

This liability is, of course, a statement of the theoretical pension liability of the charity at the balance sheet date based upon current assumptions of future discount rates; future salary and pension increases and inflation. The liability only crystallises when members retire or in the event of the winding up of the scheme, which is highly unlikely given that it is the multi-employer South Yorkshire Local Government Scheme. No new NHC employees have been added to the Pension Scheme since before 2015.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020**

e. Principal risks and uncertainties

The College's assessment and mitigation of risk include very careful attention to all aspects of safeguarding. All other risk management policies are subject to periodic review. The Trustees give very careful attention to risk management. Details of the risks which have a potentially significant impact on the college and how these are managed by the trustees are set out below.

Destruction of facilities - Trustees ensure that all necessary insurance cover is in place.

Loss of major contracts - Trustees ensure that constant attention and effort are given to sustaining the excellence of NHC's training/education provision and its responsiveness to the requirements of Government and the needs of the industry so that high demand for training is sustained.

OFSTED - The most recent Ofsted inspection in 2016 resulted in a Grade 2 with Grade 1 elements. Trustees ensure and some participate in the College's annual, formal, externally facilitated self-assessment (SAR). It identifies further improvement opportunities and any emerging shortcomings in order that standards are maintained at the very least and enhanced if possible.

Significant safeguarding problems - Trustees are aware that the racing industry as a whole and the NHC within it have moved forward proactively and successfully to reduce both the likelihood of safeguarding problems, their frequency and to deal effectively and very promptly with them when they do occur. Every member of staff, whether employed or volunteer, full or part time, undergoes thorough DBS checks, ongoing safeguarding training is mandatory and systems are in place to reduce to the lowest possible level the scope for problems. The confidential alert and helpline introduced in 2017, utilising a sophisticated but totally accessible SMS platform, is available to all learners at College or in their places of work around the industry.

Significant outbreak of equine disease - Trustees are confident that contagion control measures exist and have been rehearsed. However, if disease were to break out, Trustees are confident that operations would continue but scaled back to allow affected animals to be segregated until the disease was eliminated.

Departure of key staff members - Trustees are confident that, in an operation of this modest scale key staff have visibility of others' roles and responsibilities making the business resilient to temporary gaps.

All other risks - Trustees are briefed where necessary on other risks and are confident that all are managed through routine processes below Board level.

Structure, governance and management**a. Constitution**

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

b. Methods of appointment or election of Trustees

The management of the company and the group is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Structure, governance and management (continued)**c. Organisational structure and decision-making policies**

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

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

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

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

d. Policies adopted for the induction and training of Trustees

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

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

Informal visits by Trustees are encouraged at any time to allow them to get to know it well.

e. Pay policy for key management personnel

Trustees and senior leaders continue to recognise that the organisation's success is reliant on its team of dedicated staff. While it is College policy to pay employees at rates consistent with the wider Industry market where possible, the UK's National Living Wage is the lowest level at which any employee is paid. In late December 2019, salaries for all staff were increased in line with inflation and a small bonus was paid, linked directly to length of service and without regard to appointment or salary but with a cap and collar applied. Adjustments to the salaries of the College's senior leaders are made on exactly the same basis as all other employees..

The College's senior leadership team comprises the Chief Executive; Operations Director; Support Services Manager; Work Based Learning Manager; Foundation Course Manager and Fundraising Manager.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2020

Plans for future periods

The continued success of the College is linked inextricably to the health and success of racing as a whole. Trustees appreciate greatly therefore, the efforts made by the BHA, other entities and many individuals across the racing industry that have allowed racing to continue, although with limitations, despite the COVID-19 pandemic. Steps taken by central government, local authorities and the racing industry already have helped to support the College's own efforts to sustain its staff and learners through this period of global adversity. While the pandemic is not yet over, uncertainties remain but the business has taken decisive and effective measures to preserve cash flow and increase its resilience. Therefore, Trustees believe that the company has adequate resources to continue as a healthy going concern and they look forward to the post-COVID future, delivering its core objectives, with justifiable optimism.

Statement of Trustees' responsibilities

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

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

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

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

Disclosure of information to auditor

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

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

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TRUSTEES' REPORT (CONTINUED)
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Auditor

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

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


Gerard Sutcliffe (Mar 9, 2021 15:54 GMT)

Mr Gerard Sutcliffe
(Chair of Trustees)
Date: Mar 9, 2021

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

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

Opinion

We have audited the financial statements of National Horseracing College (Formerly Northern Racing College) (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 July 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

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

Jane Marshall

Jane Marshall (Mar 9, 2021 16:27 GMT)

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditor

2 Rutland Park

Sheffield

S10 2PD

Date: Mar 9, 2021

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	4	45,000	-	45,000	65,150
Charitable activities	5	939,355	1,488,598	2,427,953	2,154,681
Other trading activities	6	122,435	-	122,435	149,783
Other income	7	143,385	-	143,385	-
Total income		1,250,175	1,488,598	2,738,773	2,369,614
Expenditure on:					
Raising funds:	8				
Voluntary income		74,453	-	74,453	56,143
Other trading		78,791	-	78,791	84,795
Charitable activities	9	918,041	1,369,587	2,287,628	2,173,363
Other expenditure	11	23,098	-	23,098	25,494
Total expenditure		1,094,383	1,369,587	2,463,970	2,339,795
Net income		155,792	119,011	274,803	29,819
Transfers between funds	22	13,860	(13,860)	-	-
Net movement in funds before other recognised gains/(losses)		169,652	105,151	274,803	29,819
Other recognised gains/(losses):					
Actuarial (losses)/gains on defined benefit pension schemes	28	(498,000)	-	(498,000)	(484,000)
Net movement in funds		(328,348)	105,151	(223,197)	(454,181)
Reconciliation of funds:					
Total funds brought forward		893,435	158,019	1,051,454	1,505,635
Net movement in funds		(328,348)	105,151	(223,197)	(454,181)
Total funds carried forward		565,087	263,170	828,257	1,051,454

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

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

REGISTERED NUMBER: 02266267

**CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	16	2,857,743	2,899,789
		2,857,743	2,899,789
Current assets			
Stocks	18	35,438	31,403
Debtors	19	85,353	35,522
Cash at bank and in hand		551,748	238,156
		672,539	305,081
Creditors: amounts falling due within one year	20	(380,272)	(337,015)
Net current assets / liabilities		292,267	(31,934)
Total assets less current liabilities		3,150,010	2,867,855
Creditors: amounts falling due after more than one year	21	(438,753)	(471,401)
Net assets excluding pension liability		2,711,257	2,396,454
Defined benefit pension scheme liability	28	(1,883,000)	(1,345,000)
Total net assets		828,257	1,051,454
Charity funds			
Restricted funds	22	263,170	158,019
Unrestricted funds			
Designated funds	22	56,335	-
General funds	22	2,391,752	2,238,435
Unrestricted funds excluding pension liability	22	2,448,087	2,238,435
Pension reserve	22	(1,883,000)	(1,345,000)
Total unrestricted funds	22	565,087	893,435
Total funds		828,257	1,051,454

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2020

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

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

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


Gerard Sutcliffe (Mar 9, 2021 15:54 GMT)

.....
Mr Gerard Sutcliffe

(Chair of Trustees)

Date: Mar 9, 2021

The notes on pages 23 to 55 form part of these financial statements.

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)**(A company limited by guarantee)****REGISTERED NUMBER: 02266267**

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	16	2,813,642	2,860,316
Investments	17	2	2
		<hr/>	<hr/>
		2,813,644	2,860,318
Current assets			
Stocks	18	24,412	20,341
Debtors	19	157,530	87,211
Cash at bank and in hand		463,325	183,297
		<hr/>	<hr/>
		645,267	290,849
Creditors: amounts falling due within one year	20	(369,358)	(326,750)
		<hr/>	<hr/>
Net current assets / liabilities		275,909	(35,901)
		<hr/>	<hr/>
Total assets less current liabilities		3,089,553	2,824,417
Creditors: amounts falling due after more than one year	21	(438,753)	(471,401)
		<hr/>	<hr/>
Net assets excluding pension liability		2,650,800	2,353,016
Defined benefit pension scheme liability	28	(1,883,000)	(1,345,000)
		<hr/>	<hr/>
Total net assets		767,800	1,008,016
		<hr/> <hr/>	<hr/> <hr/>
Charity funds			
Restricted funds	22	263,170	158,019
Unrestricted funds			
Designated funds	22	56,335	-
General funds		2,331,295	2,194,997
	22	<hr/>	<hr/>
Unrestricted funds excluding pension liability	22	2,387,630	2,194,997
Pension reserve	22	(1,883,000)	(1,345,000)
		<hr/>	<hr/>
Total unrestricted funds	22	504,630	849,997
		<hr/>	<hr/>
Total funds		767,800	1,008,016
		<hr/> <hr/>	<hr/> <hr/>

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)


(A company limited by guarantee)

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JULY 2020

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

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

The financial statements were approved and authorised for issue by the Trustees on
Mar 9, 2021 and signed on their behalf by:


Gerard Sutcliffe (Mar 9, 2021 15:54 GMT)
Mr Gerard Sutcliffe
(Chair of Trustees)

The notes on pages 23 to 55 form part of these financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash generated by operating activities	25	406,358	210,378
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		30,142	150
Purchase of tangible fixed assets		(75,760)	(73,320)
Net cash used in investing activities		(45,618)	(73,170)
Cash flows from financing activities			
Cash inflows from new borrowing		50,000	-
Repayments of borrowing		(74,050)	(69,786)
Interest paid		(23,098)	(25,494)
Net cash used in financing activities		(47,148)	(95,280)
Change in cash and cash equivalents in the year		313,592	41,928
Cash and cash equivalents at the beginning of the year		238,156	196,228
Cash and cash equivalents at the end of the year	26	551,748	238,156

The notes on pages 23 to 55 form part of these financial statements

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

2.2 Company status

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

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.3 Going concern

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

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

Steps taken by central government, local authorities and the racing industry already have helped to support the College's own efforts to sustain its staff and learners through this period of global adversity. While the pandemic is not yet over, uncertainties remain, but the business has taken decisive and effective measures to preserve cash flow and increase its resilience.

The Trustees have prepared forecasts of income and expenditure and cash flow for the period to 28 February 2022 which shows that they have sufficient cash to be able to continue for the foreseeable future.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.4 Income

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

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

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

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

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

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

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

2.5 Expenditure

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.5 Expenditure (continued)

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £200 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

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

Depreciation is provided on the following bases:

Visitor centre	- Variable between 1% - 20% on a reducing balance basis
Building refurbishment	- Over the term of the lease
Leasehold land & buildings	- Over the term of the lease
Stable block	- 1% reducing balance
Plant, equipment and motor vehicles	- 10% reducing balance, 20% on cost
Gallop, manege and indoor riding school	- 5% on cost, 1% reducing balance
Computer equipment	- 20 - 33% on cost

2.7 Investments

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

2.8 Stocks

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

2.9 Debtors

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

2.10 Cash at bank and in hand

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

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.11 Liabilities

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

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

Provisions are measured at the best estimate of the amounts required to settle the obligation.

2.12 Financial instruments

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

2.13 Finance leases and hire purchase

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

2.14 Operating leases

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

2.15 Pensions

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

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

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.16 Fund accounting

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

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

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

2.17 Taxation

As a charity, National Horseracing College is exempt from tax on income and gains falling within the available tax exemptions to the extent that these are applied to its charitable objects. No tax charges have arisen in the charity.

2.18 Employee benefits

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

4. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
<i>Donations</i>			
Pontefract race day income	-	-	10,150
Leger Legends income	45,000	45,000	55,000
	<u>45,000</u>	<u>45,000</u>	<u>65,150</u>
Total 2019	<u>65,150</u>	<u>65,150</u>	

5. Income from charitable activities

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Operation of educational and training college	19,950	1,203,665	1,223,615	1,107,390
ESFA	665,427	-	665,427	772,609
Other activity related income	51,878	-	51,878	55,033
Grants (see detailed breakdown below)	202,100	284,933	487,033	219,649
	<u>939,355</u>	<u>1,488,598</u>	<u>2,427,953</u>	<u>2,154,681</u>
Total 2019	<u>953,235</u>	<u>1,201,446</u>	<u>2,154,681</u>	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

Grants

	2020	2019
	£	£
Big Lottery	57,825	-
Regional training grant	79,858	52,853
Stalls refurbishment	15,000	-
Funding expert contribution	-	8,843
Commercial assistance	50,000	-
Racing welfare	7,250	14,500
Immersive technology	10,000	-
Accommodation review	40,000	10,000
Peter O'Sullivan Trust- Lunge pen	-	50,000
The Racing Foundation- Lunge pen	-	10,000
Peter O'Sullivan Trust- Fitness facility	-	14,000
Horsebox grant	25,000	-
	<hr/>	<hr/>
Total restricted grants	284,933	160,196
	<hr/>	<hr/>
BHA COVID-19 support	175,100	-
Princes Trust / BHA	-	32,000
Regional training support	12,000	12,453
14-16 year old programme	15,000	15,000
	<hr/>	<hr/>
Total unrestricted grants	202,100	59,453
	<hr/>	<hr/>
Total	487,033	219,649
	<hr/>	<hr/>

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
NHC Trading Limited	122,435	122,435	149,783
	<hr/>	<hr/>	<hr/>
Total 2019	149,783	149,783	
	<hr/>	<hr/>	

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

7. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Insurance receipt	56,335	56,335	-
CJRS income	87,050	87,050	-
	<hr/>	<hr/>	<hr/>
	143,385	143,385	-
	<hr/>	<hr/>	<hr/>

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Fundraising and publicity	(27)	(27)	1,783
Voluntary income staff costs	74,480	74,480	54,360
	<u>74,453</u>	<u>74,453</u>	<u>56,143</u>
Total 2019	<u>56,143</u>	<u>56,143</u>	

Other trading expenses

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Cost of sales	64,706	64,706	65,214
Administration expenses	10,404	10,404	11,481
Depreciation	3,681	3,681	8,100
Total 2020	<u>78,791</u>	<u>78,791</u>	<u>84,795</u>
Total 2019	<u>84,795</u>	<u>84,795</u>	

In 2019 all expenditure related to unrestricted funds.

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Operation of educational and training college	918,041	1,369,587	2,287,628	2,173,363
Total 2020	<u>918,041</u>	<u>1,369,587</u>	<u>2,287,628</u>	<u>2,173,363</u>
Total 2019	<u>898,081</u>	<u>1,275,282</u>	<u>2,173,363</u>	

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

10. Summary by expenditure category

	2020	2019
	£	£
Training costs	107,498	73,128
Accommodation	356,637	384,509
Stable yard	169,898	156,777
Staff costs	773,412	691,628
National Insurance	80,852	77,136
Pension costs	87,836	89,493
FRS 17 finance costs	30,000	21,000
Depreciation	85,261	86,018
Total direct costs	1,691,394	1,579,689
Administration costs	229,334	220,901
Staff costs	132,467	142,229
Total management and administration	361,801	363,130
Support administration costs	50,342	48,490
Total support costs	50,342	48,490
Governance costs (see note 11)	184,091	182,054
Overall Total	2,287,628	2,173,363

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

11. Other expenditure

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank and other interest	23,098	-	23,098	25,494
	<hr/>	<hr/>	<hr/>	
Total 2019	2,105	23,389	25,494	
	<hr/>	<hr/>	<hr/>	

12. Governance costs

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Auditor's remuneration	9,860	-	9,860	9,370
Trustees' expenses	1,344	-	1,344	2,434
Legal and professional	17,909	39,950	57,859	58,269
Salaries and related charges	113,228	1,800	115,028	111,981
	<hr/>	<hr/>	<hr/>	<hr/>
Overall Total	142,341	41,750	184,091	182,054
	<hr/>	<hr/>	<hr/>	<hr/>

In 2019 £13,902 of governance costs related to restricted expenditure and £168,152 related to unrestricted expenditure.

13. Net income/(expenditure)

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets owned by the charitable company	76,835	85,473
Depreciation of tangible fixed assets held under finance leases	12,107	8,645
Auditor's remuneration- audit	9,860	9,370
	<hr/>	<hr/>
Total	98,802	103,488
	<hr/>	<hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

14. Staff costs

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	1,085,387	960,198	1,085,387	960,198
Social security costs	80,852	77,136	80,852	77,136
Pension costs	87,836	89,493	87,836	89,493
Operating costs of defined benefit pension schemes	10,000	40,000	10,000	40,000
	1,264,075	1,166,827	1,264,075	1,166,827

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

Group 2020 No.	Group 2019 No.
46	43

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

	Group 2020 No.	Group 2019 No.
In the band £80,001 - £90,000	1	1

The total remuneration and benefits received by key management personnel was £287,623 (2019: £320,017). The trustees consider senior management personnel to be the Chief Executive Officer, the Operations Director, the Support Services Manager, the Work Based Learning Manager, the Foundation Course Manager, the Head of Instructors and the Fundraising Manager.

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 July 2020, expenses totalling £1,344 were reimbursed or paid directly to 6 Trustees (2019 - £2,434 to 6 Trustees). These expenses relate to the reimbursement of travel expenses incurred by the Trustees when attending National Horseracing College Trustee meetings and events.

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

16. Tangible fixed assets

Group

	Visitors centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Total £
Cost or valuation								
At 1 August 2019	816,681	463,619	1,239,582	652,271	837,165	495,195	47,652	4,552,165
Additions	-	-	-	-	-	63,399	12,361	75,760
Disposals	-	-	-	-	(4,001)	(43,014)	-	(47,015)
At 31 July 2020	816,681	463,619	1,239,582	652,271	833,164	515,580	60,013	4,580,910
Depreciation								
At 1 August 2019	213,300	248,635	286,193	157,543	453,343	250,161	43,201	1,652,376
Charge for the year	6,205	3,459	10,750	6,580	12,549	43,850	5,549	88,942
On disposals	-	-	-	-	-	(18,151)	-	(18,151)
At 31 July 2020	219,505	252,094	296,943	164,123	465,892	275,860	48,750	1,723,167

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FOR THE YEAR ENDED 31 JULY 2020

16. Tangible fixed assets (continued)

Group (continued)

	Visitors centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Total £
<i>Net book value</i>								
At 31 July 2020	597,176	211,525	942,639	488,148	367,272	239,720	11,263	2,857,743
At 31 July 2019	603,381	214,984	953,389	494,728	383,822	245,034	4,451	2,899,789

Company

	Visitors centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Total £
<i>Cost or valuation</i>								
At 1 August 2019	816,681	463,619	1,235,441	652,271	837,165	382,169	47,652	4,434,998
Additions	-	-	-	-	-	55,090	12,361	67,451
Disposals	-	-	-	-	(4,001)	(43,014)	-	(47,015)
At 31 July 2020	816,681	463,619	1,235,441	652,271	833,164	394,245	60,013	4,455,434

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NOTES TO THE FINANCIAL STATEMENTS
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16. Tangible fixed assets (continued)

Company (continued)

	Visitors centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Total £
Depreciation								
At 1 August 2019	213,300	248,635	285,368	157,543	453,343	173,292	43,201	1,574,682
Charge for the year	6,205	3,459	10,667	6,580	12,549	40,252	5,549	85,261
On disposals	-	-	-	-	-	(18,151)	-	(18,151)
At 31 July 2020	219,505	252,094	296,035	164,123	465,892	195,393	48,750	1,641,792
Net book value								
At 31 July 2020	597,176	211,525	939,406	488,148	367,272	198,852	11,263	2,813,642
At 31 July 2019	603,381	214,984	950,073	494,728	383,822	208,877	4,451	2,860,316

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

17. Fixed asset investments

<i>company</i>	Investments in subsidiary companies £
<i>Cost or valuation</i>	
At 1 August 2019	2
<i>At 31 July 2020</i>	<u>2</u>
<i>Net book value</i>	
<i>At 31 July 2020</i>	<u>2</u>
At 31 July 2019	<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 (FORMERLY NORTHERN RACING COLLEGE)**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

17. Fixed asset investments (continued)**Principal subsidiaries**

The following was a subsidiary undertaking of the company:

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

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
NHC Trading Limited	122,435	(87,928)	34,507	60,459

18. Stocks

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Finished goods	35,438	31,403	24,412	20,341

19. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	54,197	28,065	49,909	21,777
Amounts owed by group undertakings	-	-	76,465	57,977
Other debtors	4,729	617	4,729	617
Prepayments and accrued income	26,427	6,840	26,427	6,840
	85,353	35,522	157,530	87,211

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

20. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	-	3	-	3
Bank loans	61,440	52,157	61,440	52,157
Trade creditors	69,971	111,904	63,210	107,106
Other taxation and social security	29,867	37,127	26,744	32,660
Obligations under finance lease and hire purchase contracts	9,454	4,228	9,454	4,228
Other creditors	209,540	131,596	208,510	130,596
	380,272	337,015	369,358	326,750

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

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**NOTES TO THE FINANCIAL STATEMENTS
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21. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	432,257	465,590	432,257	465,590
Net obligations under finance lease and hire purchase contracts	6,496	5,811	6,496	5,811
	438,753	471,401	438,753	471,401

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Repayable by instalments	181,026	188,842	181,026	188,842
	181,026	188,842	181,026	188,842

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

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

A Bounce Back Loan of £50,000 was drawn down during the year. Repayments commence July 2021 and there is no interest charged.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

22. Statement of funds

Statement of funds - current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Unrestricted funds						
Designated funds						
College improvements	-	56,335	-	-	-	56,335
General funds						
General funds	2,194,997	1,071,405	(966,455)	31,348	-	2,331,295
Reserves held in subsidiary	43,438	122,435	(87,928)	(17,488)	-	60,457
Pension reserve	(1,345,000)	-	(40,000)	-	(498,000)	(1,883,000)
	893,435	1,193,840	(1,094,383)	13,860	(498,000)	508,752
Total Unrestricted funds	893,435	1,250,175	(1,094,383)	13,860	(498,000)	565,087
Restricted funds						
Horseracing grant scheme	60,000	-	-	-	-	60,000
Regional training grant	27,269	79,858	(42,952)	-	-	64,175
Immersive technology	-	10,000	(10,000)	-	-	-
Stalls refurbishment	-	15,000	(15,000)	-	-	-
Racing welfare	580	7,250	(7,830)	-	-	-
Horsebox grant	-	25,000	-	-	-	25,000
Commercial assistance	-	50,000	(50,000)	-	-	-
Big Lottery funding	-	57,825	-	-	-	57,825
Peter O'Sullivan Trust - Lunge pen	48,125	-	-	-	-	48,125

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

22. Statement of funds (continued)***Statement of funds - current year (continued)***

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
The Racing Foundation- Lunge pen	8,045	-	-	-	-	8,045
Accommodation review	-	40,000	(40,000)	-	-	-
Peter O'Sullivan Trust - Fitness facility	14,000	-	(140)	(13,860)	-	-
BHA & HBLB programmes	-	1,203,665	(1,203,665)	-	-	-
	<u>158,019</u>	<u>1,488,598</u>	<u>(1,369,587)</u>	<u>(13,860)</u>	<u>-</u>	<u>263,170</u>
Total of funds	<u><u>1,051,454</u></u>	<u><u>2,738,773</u></u>	<u><u>(2,463,970)</u></u>	<u><u>-</u></u>	<u><u>(498,000)</u></u>	<u><u>828,257</u></u>

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

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

Statement of funds - prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
<i>Unrestricted funds</i>						
General funds	2,123,313	1,018,385	(947,011)	310	-	2,194,997
Reserves held in subsidiary	28,761	149,783	(134,796)	(310)	-	43,438
Pension reserve	(800,000)	-	(61,000)	-	(484,000)	(1,345,000)
	<u>1,352,074</u>	<u>1,168,168</u>	<u>(1,142,807)</u>	<u>-</u>	<u>(484,000)</u>	<u>893,435</u>
<i>Restricted funds</i>						
Horseracing grant scheme	60,000	-	-	-	-	60,000
Regional training grant	15,785	52,853	(41,369)	-	-	27,269
Immersive technology	17,800	-	(17,800)	-	-	-
Stalls refurbishment	3,587	-	(3,587)	-	-	-
Racing welfare	2,880	14,500	(16,800)	-	-	580
Horsebox grant	5,482	-	(5,482)	-	-	-
Commercial assistance	48,027	-	(48,027)	-	-	-
Big Lottery funding	-	8,843	(8,843)	-	-	-
Peter O'Sullivan Trust - Lunge pen	-	50,000	(1,875)	-	-	48,125
The Racing Foundation- Lunge pen	-	10,000	(1,955)	-	-	8,045
Accommodation review	-	10,000	(10,000)	-	-	-

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

22. Statement of funds (continued)***Statement of funds - prior year (continued)***

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
Peter O'Sullivan Trust - Fitness facility	-	14,000	-	-	-	14,000
BHA & HBLB programmes	-	1,041,250	(1,041,250)	-	-	-
	<u>153,561</u>	<u>1,201,446</u>	<u>(1,196,988)</u>	<u>-</u>	<u>-</u>	<u>158,019</u>
Total of funds	<u><u>1,505,635</u></u>	<u><u>2,369,614</u></u>	<u><u>(2,339,795)</u></u>	<u><u>-</u></u>	<u><u>(484,000)</u></u>	<u><u>1,051,454</u></u>

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)

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**NOTES TO THE FINANCIAL STATEMENTS
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Restricted Funds

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

The Horseracing grant scheme represents a contribution from the British Horseracing Authority towards the costs of the construction of the ground floor of what will become the College's proposed new accommodation block, the construction of this has not begun.

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

Racing to school is to fund a two year programme to develop a new website and to purchase 40 grooming kits.

Racing welfare fund the life skills programme which seeks to provide skills to learners to help them become resilient and effective communicators who are equipped for independent living.

Commercial assistance is in relation to a three year project to fund the recruitment and employment of a Business Development Manager to assist in the generation of additional commercial revenues.

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

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

The accommodation review grant was a grant in order to fund someone to come in and review the residential facilities at the college in order to prioritise what areas needed improvement and where savings can be made whilst improving the accommodation facilities.

The Fitness facility grant is monies received in order to upgrade the fitness facilities at the college in order to help the aspiring jockeys obtain the physical performance they need.

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

Immersive technology - for new technology purchases

Stalls refurbishment - to fund refurbishment to the stalls

Horsebox grant - to fund a new horsebox

Government funding expert (contract co-ordinator) is for the part funding of a Government Funding expert on a three year project to assist in keeping abreast of complex government policy on education funding.

Transfer between funds

A transfer has been made from restricted funds to unrestricted funds for capital expenditure where the conditions of the funding have been fulfilled.

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NOTES TO THE FINANCIAL STATEMENTS
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23. Summary of funds

Summary of funds - current year

	Balance at 1 August 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2020 £
Designated funds	-	56,335	-	-	-	56,335
General funds	893,435	1,193,840	(1,094,383)	13,860	(498,000)	508,752
Restricted funds	158,019	1,488,598	(1,369,587)	(13,860)	-	263,170
	<u>1,051,454</u>	<u>2,738,773</u>	<u>(2,463,970)</u>	<u>-</u>	<u>(498,000)</u>	<u>828,257</u>

Summary of funds - prior year

	Balance at 1 August 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2019 £
General funds	1,352,074	1,168,168	(1,142,807)	-	(484,000)	893,435
Restricted funds	153,561	1,201,446	(1,196,988)	-	-	158,019
	<u>1,505,635</u>	<u>2,369,614</u>	<u>(2,339,795)</u>	<u>-</u>	<u>(484,000)</u>	<u>1,051,454</u>

24. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,857,743	-	2,857,743
Current assets	409,369	263,170	672,539
Creditors due within one year	(380,272)	-	(380,272)
Creditors due in more than one year	(438,753)	-	(438,753)
Provisions for liabilities and charges	(1,883,000)	-	(1,883,000)
Total	<u>565,087</u>	<u>263,170</u>	<u>828,257</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

24. Analysis of net assets between funds (continued)**Analysis of net assets between funds - prior period**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	2,899,789	-	2,899,789
Current assets	147,062	158,019	305,081
Creditors due within one year	(337,015)	-	(337,015)
Creditors due in more than one year	(471,401)	-	(471,401)
Provisions for liabilities and charges	(1,345,000)	-	(1,345,000)
Total	893,435	158,019	1,051,454

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

	Group 2020 £	Group 2019 £
Net income for the period (as per Statement of Financial Activities)	274,803	29,819
Adjustments for:		
Depreciation charges	87,664	94,118
(Increase)/decrease in stocks	(4,035)	(13,657)
Decrease/(increase) in debtors	(49,831)	62,191
Increase/(decrease) in creditors	34,659	(48,587)
Interest paid	23,098	25,494
Defined benefit pension adjustment	40,000	61,000
Net cash provided by operating activities	406,358	210,378

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

26. Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £
Cash in hand	551,748	238,156
Total cash and cash equivalents	551,748	238,156

27. Analysis of changes in net debt

	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash at bank and in hand	238,156	313,592	551,748
Bank overdrafts repayable on demand	(3)	3	-
Debt due within 1 year	(52,157)	(9,283)	(61,440)
Debt due after 1 year	(465,590)	33,333	(432,257)
Finance leases	(10,039)	(5,911)	(15,950)
	(289,633)	331,734	42,101

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

**NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge includes contributions payable by the company to the fund and amounted to £19,515 (2019: £18,578). Contributions totalling £3,391 (2019: £1,555) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefit pension scheme.

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

A full actuarial valuation was carried out as at 31 March 2019 and to the 31 July 2020 specifically for the college by Mercer Human Resource Consulting Limited.

The contributions made for the year ended 31 July 2020 were £59,000 and the contribution rates expected for the year ended 31 July 2021 are £63,000.

At the balance sheet date there were outstanding contributions payable of £2,700 (2019: £2,515).

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

	At 31 July 2020	At 31 July 2019
	%	%
Discount rate	1.60	2.20
Future salary increases	3.55	3.45
Future pension increases	2.40	2.30
Inflation assumption	2.30	2.20
	=====	=====
	At 31 July 2020	At 31 July 2019
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	22.4	23.1
- at 65 for a male aged 45 now	23.9	25.3
- for a female aged 65 now	25.2	25.9
- at 65 for a female aged 45 now	27.1	28.3
	=====	=====

NATIONAL HORSERACING COLLEGE (FORMERLY NORTHERN RACING COLLEGE)
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NOTES TO THE FINANCIAL STATEMENTS
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28. Pension commitments (continued)

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

	At 31 July 2020	At 31 July 2019
	£	£
Equities	1,322,000	1,560,000
Government bonds	446,000	426,000
Other bonds	254,000	218,000
Property	240,000	259,000
Cash and other liquid assets	117,000	95,000
Other	480,000	423,000
<i>Total fair value of assets</i>	<u>2,859,000</u>	<u>2,981,000</u>

The actual return on scheme assets was £-33,000 (2019 - £217,000).

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

	2020	2019
	£	£
Current service cost (less contributions paid)	(65,000)	(56,000)
Past service cost	(3,000)	(43,000)
Interest cost	(30,000)	(21,000)
Administrative expenses	(1,000)	(1,000)
<i>Total amount recognised in the Consolidated Statement of Financial Activities</i>	<u>(99,000)</u>	<u>(121,000)</u>

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

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

	2020 £
Opening defined benefit obligation	4,326,000
Interest cost	95,000
Actuarial losses	343,000
Benefits paid	(101,000)
Current service costs	65,000
Past service costs	3,000
Contributions by scheme participants	11,000
	<hr/>
<i>Closing defined benefit obligation</i>	4,742,000
	<hr/> <hr/>

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

	2020 £
Opening fair value of scheme assets	2,981,000
Interest on plan assets	65,000
Actuarial (losses)/gains	(155,000)
Administration expenses	(1,000)
Contributions by employer	59,000
Contributions by scheme participants	11,000
Benefits paid	(101,000)
	<hr/>
<i>Closing fair value of scheme assets</i>	2,859,000
	<hr/> <hr/>

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

	2020 £	2019 £
Defined benefit obligation	(4,742,000)	(4,326,000)
Scheme assets	2,859,000	2,981,000
	<hr/>	<hr/>
Deficit	(1,883,000)	(1,345,000)
	<hr/>	<hr/>
Experience adjustments on scheme liabilities	(343,000)	(621,000)
Experience adjustment on scheme assets	(155,000)	137,000

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

**NOTES TO THE FINANCIAL STATEMENTS
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29. Operating lease commitments

At 31 July 2020 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	3,051	15,353	3,051	15,353
Later than 1 year and not later than 5 years	2,930	5,981	2,930	5,981
	5,981	21,334	5,981	21,334

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Operating lease rentals	15,353	-	15,353	-

30. Related party transactions

During the year purchases were made from NHC Trading Limited (a wholly owned trading subsidiary) totalling £6,663 (2019: £3,962). Management charges made in the year to NHC Trading Limited were £9,137 (2019: £50,000). At the year end £76,465 (2019: £57,977) was due from NHC Trading Limited.

31. Controlling party

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