

Registered number: 02266267
Charity number: 700405

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)

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NATIONAL HORSERACING COLLEGE
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 JULY 2022

Trustees

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

Vice Presidents

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

Company registered number

02266267

Charity registered number

700405

Registered office

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

Patron

Countess of Halifax

Chief executive officer

Mr Stephen Padgett OBE

Independent auditor

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

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

Bankers

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

Solicitors

Jordans, 4 Priory Place, Doncaster, DN1 1BP

Pension Administrators

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

NATIONAL HORSERACING COLLEGE
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 JULY 2022

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

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

Overview

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

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

Objectives and activities

a. Policies and objectives

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

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

b. Strategies for achieving objectives

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

Objectives and activities (continued)

c. Activities undertaken to achieve objectives

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

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

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

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

Achievements and Performance

a. Study Programme

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

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

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

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

Achievements and Performance (continued)

(continued)

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

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

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

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

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

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

Achievements and Performance (continued)

(continued)

b. Apprenticeships

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

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

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

c. Priorities, Activities and Achievements

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

d. Marketing and Recruiting

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

e. Fundraising and Commercial Activities

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

The charity has not carried out any significant fundraising activities.

Achievements and Performance (continued)

(continued)

f. Infrastructure and Equipment

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

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

Financial review

a. Going concern

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

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

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

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

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

b. Reserves policy

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

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

c. Financial performance

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

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

d. Pension liability

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

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

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

e. Principal risks and uncertainties

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

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

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

Structure and Governance

a. Constitution

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

b. Methods of appointment or election of Trustees

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

c. Organisational structure and decision-making policies

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

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

Structure and Governance (continued)

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

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

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

d. Policies adopted for the induction and training of Trustees

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

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

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

e. Pay policy for key management personnel

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

Plans for future periods

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

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

Statement of Trustees' responsibilities

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

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

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

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

Disclosure of information to auditor


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

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

Auditor

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

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


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

.....
Mr Gerard Sutcliffe

Date: Mar 8, 2023

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2022 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

BHP LLP

Jane Marshall (Senior statutory auditor)

for and on behalf of

BHP LLP

Chartered Accountants

Statutory Auditor

2 Rutland Park

Sheffield

S10 2PD

Date: 10 March 2023

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2022

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

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

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)
REGISTERED NUMBER: 02266267

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2022

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


NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)
REGISTERED NUMBER: 02266267

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2022

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

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

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


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

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

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

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)
REGISTERED NUMBER: 02266267

COMPANY BALANCE SHEET
AS AT 31 JULY 2022

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

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2022

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

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

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

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

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


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

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

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

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)

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

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

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

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

2.2 Company status

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

2.3 Going concern

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

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

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

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

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

2. Accounting policies (continued)

2.3 Going concern (continued)

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

2.4 Income

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

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

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

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

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

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

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

2.5 Expenditure

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

2. Accounting policies (continued)

2.5 Expenditure (continued)

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

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

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following bases:

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

2.7 Investments

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

2.8 Stocks

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

2. Accounting policies (continued)

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities

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

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

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

2.12 Financial instruments

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

2.13 Finance leases and hire purchase

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

2.14 Operating leases

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

2. Accounting policies (continued)

2.15 Pensions

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

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

2.16 Fund accounting

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

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

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

2.17 Taxation

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

2.18 Employee benefits

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

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)

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

4. Income from donations and legacies

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
<i>Donations</i>			
Pontefract race day income	6,500	6,500	1,600
Leger Legends income	35,000	35,000	15,000
	<u>41,500</u>	<u>41,500</u>	<u>16,600</u>
Total 2021	<u>16,600</u>	<u>16,600</u>	

5. Income from charitable activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Operation of educational and training college	13,460	1,240,131	1,253,591	1,269,128
ESFA	993,508	-	993,508	997,595
Other activity related income	30,649	-	30,649	23,970
Grants (see detailed breakdown below)	41,500	230,399	271,899	312,108
	<u>1,079,117</u>	<u>1,470,530</u>	<u>2,549,647</u>	<u>2,602,801</u>
Total 2021	<u>1,075,813</u>	<u>1,526,988</u>	<u>2,602,801</u>	

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)

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

Grants

	2022	2021
	£	£
Big Lottery	-	57,825
Regional training grant	41,399	50,000
BHA	159,000	101,000
IT equipment	-	30,000
Racing simulator	30,000	30,000
	<hr/>	<hr/>
Total restricted grants	230,399	268,825
	<hr/>	<hr/>
Racing welfare	14,500	16,283
Regional training support	12,000	12,000
14-16 year old programme	15,000	15,000
	<hr/>	<hr/>
Total unrestricted grants	41,500	43,283
	<hr/>	<hr/>
Total	271,899	312,108
	<hr/>	<hr/>

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)

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

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
NHC Trading Limited	125,271	125,271	135,320
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2021	135,320	135,320	
	<hr/> <hr/>	<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. Unaudited accounts are filed with Companies House.

7. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
CJRS income	-	-	13,522
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Total 2021	13,522	13,522	
	<hr/> <hr/>	<hr/> <hr/>	

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)

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

8. Expenditure on raising funds

Costs of raising voluntary income

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Fundraising and publicity	1,561	-	1,561	(100)
Voluntary income staff costs	100,206	26,864	127,070	103,622
	<u>101,767</u>	<u>26,864</u>	<u>128,631</u>	<u>103,522</u>
Total 2021	<u>103,522</u>	<u>-</u>	<u>103,522</u>	

Other trading expenses

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Cost of sales	57,628	57,628	68,051
Administration expenses	5,647	5,647	8,426
Depreciation	5,612	5,612	6,797
Total 2022	<u>68,887</u>	<u>68,887</u>	<u>83,274</u>
Total 2021	<u>83,274</u>	<u>83,274</u>	

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)

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

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
Operation of educational and training college	1,188,336	1,392,134	2,580,470	2,351,435
Total 2022	1,188,336	1,392,134	2,580,470	2,351,435
Total 2021	868,040	1,483,395	2,351,435	

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)

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

10. Summary by expenditure category

	2022	2021
	£	£
Training costs	140,236	128,581
Accommodation	455,781	419,765
Stable yard	182,443	148,219
Staff costs	824,514	750,801
National Insurance	112,116	97,786
Pension costs	52,061	47,235
Pension finance costs	26,000	29,000
Depreciation	113,068	91,312
<i>Total direct costs</i>	1,906,219	1,712,699
Administration costs	272,555	268,664
Staff costs	223,760	182,341
<i>Total management and administration</i>	496,315	451,005
Support administration costs	59,829	58,975
<i>Total support costs</i>	59,829	58,975
Governance costs (see note 12)	118,107	128,756
<i>Overall Total</i>	2,580,470	2,351,435

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)

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

11. Other expenditure

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank and other interest	15,869	15,869	20,760
Total 2021	20,760	20,760	

12. Governance costs

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Auditor's remuneration	8,911	8,911	9,435
Trustees' expenses	520	520	533
Legal and professional	11,703	11,703	16,299
Salaries and related charges	96,973	96,973	102,489
Total 2022	118,107	118,107	128,756
Total 2021	128,756	128,756	

13. Net income/(expenditure)

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets owned by the group	113,454	92,832
Depreciation of tangible fixed assets held under finance leases	5,226	5,276
Auditor's remuneration- audit	8,911	9,435
Loss on disposal	6,261	-

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)

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

14. Staff costs

	Group 2022	Group 2021	Company 2022	Company 2021
	£	£	£	£
Wages and salaries	1,271,317	1,134,253	1,271,317	1,134,253
Social security costs	112,116	97,786	112,116	97,786
Pension costs	52,061	47,235	52,061	47,235
Operating costs of defined benefit pension schemes	1,000	5,000	1,000	5,000
	1,436,494	1,284,274	1,436,494	1,284,274

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

Group 2022	Group 2021
No.	No.
51	48

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

	Group 2022	Group 2021
	No.	No.
In the band £90,001 - £100,000	-	1
In the band £110,000 - £120,000	1	-

The total remuneration and benefits received by key management personnel including employer's NI and pension was £346,977 (2021: £352,774). The trustees consider senior management personnel to be the Chief Executive Officer, the Operations Director, the Support Services Manager, the Work Based Learning Manager, the Foundation Course Manager, the Head of Instructors and the Fundraising Manager.

15. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2021: £nil).

During the year ended 31 July 2022, expenses totalling £520 were reimbursed or paid directly to 4 Trustees (2021 - £533 to 3 Trustees). These expenses relate to the reimbursement of travel expenses incurred by the Trustees when attending National Horseracing College Trustee meetings and events.

NATIONAL HORSERACING COLLEGE
(A company limited by guarantee)

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

16. Tangible fixed assets

Group

	Visitor centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Assets under construction £	Total £
Cost or valuation									
At 1 August 2021	816,681	463,619	1,239,582	652,271	837,934	564,977	94,850	45,730	4,715,644
Additions	-	8,484	4,595	-	93,159	197,234	-	-	303,472
Disposals	-	-	-	-	-	(26,425)	-	-	(26,425)
Transfers between classes	-	-	-	-	27,735	17,995	-	(45,730)	-
At 31 July 2022	816,681	472,103	1,244,177	652,271	958,828	753,781	94,850	-	4,992,691
Depreciation									
At 1 August 2021	232,674	255,495	307,257	170,615	478,141	314,075	63,018	-	1,821,275
Charge for the year	12,688	7,437	11,233	6,406	16,587	57,703	6,626	-	118,680
On disposals	-	-	-	-	-	(9,426)	-	-	(9,426)
At 31 July 2022	245,362	262,932	318,490	177,021	494,728	362,352	69,644	-	1,930,529

NATIONAL HORSERACING COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

16. Tangible fixed assets (continued)

Group (continued)

	Visitor centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Assets under construction £	Total £
<i>Net book value</i>									
At 31 July 2022	<u>571,319</u>	<u>209,171</u>	<u>925,687</u>	<u>475,250</u>	<u>464,100</u>	<u>391,429</u>	<u>25,206</u>	<u>-</u>	<u>3,062,162</u>
At 31 July 2021	<u>584,007</u>	<u>208,124</u>	<u>932,325</u>	<u>481,656</u>	<u>359,793</u>	<u>250,902</u>	<u>31,832</u>	<u>45,730</u>	<u>2,894,369</u>

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FOR THE YEAR ENDED 31 JULY 2022

16. Tangible fixed assets (continued)

Company

	Visitor centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Manage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Assets under construction £	Total £
Cost or valuation									
At 1 August 2021	816,681	463,619	1,235,441	652,271	837,934	443,642	94,850	45,730	4,590,168
Additions	-	8,484	4,595	-	93,159	197,234	-	-	303,472
Disposals	-	-	-	-	-	(26,425)	-	-	(26,425)
Transfers between classes	-	-	-	-	27,735	17,995	-	(45,730)	-
At 31 July 2022	816,681	472,103	1,240,036	652,271	958,828	632,446	94,850	-	4,867,215
Depreciation									
At 1 August 2021	232,674	255,495	306,266	170,615	478,141	226,894	63,018	-	1,733,103
Charge for the year	12,688	7,437	11,150	6,406	16,587	52,174	6,626	-	113,068
On disposals	-	-	-	-	-	(9,426)	-	-	(9,426)
At 31 July 2022	245,362	262,932	317,416	177,021	494,728	269,642	69,644	-	1,836,745

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

Company (continued)

	Visitor centre £	Building refurbishment £	Leasehold Land & Buildings £	Stable Block £	Gallop, Menage & Indoor Riding School £	Plant, Equipment & Motor Vehicles £	Computer equipment £	Assets under construction £	Total £
<i>Net book value</i>									
At 31 July 2022	<u>571,319</u>	<u>209,171</u>	<u>922,620</u>	<u>475,250</u>	<u>464,100</u>	<u>362,804</u>	<u>25,206</u>	<u>-</u>	<u>3,030,470</u>
At 31 July 2021	<u>584,007</u>	<u>208,124</u>	<u>929,175</u>	<u>481,656</u>	<u>359,793</u>	<u>216,748</u>	<u>31,832</u>	<u>45,730</u>	<u>2,857,065</u>

NATIONAL HORSERACING COLLEGE
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FOR THE YEAR ENDED 31 JULY 2022

17. Fixed asset investments

<i>Company</i>	Investments in subsidiary companies £
<i>Cost or valuation</i>	
At 1 August 2021	2
At 31 July 2022	2
<i>Net book value</i>	
At 31 July 2022	2
At 31 July 2021	2

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

NATIONAL HORSERACING COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

17. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the company:

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

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit for the year £	Net assets £
NHC Trading Limited	125,271	(118,887)	6,384	38,522

18. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Finished goods	19,235	31,492	9,539	22,060

19. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	49,197	108,016	46,872	93,980
Amounts owed by group undertakings	-	-	98,089	134,721
Other debtors	24,444	877	24,444	877
Prepayments and accrued income	23,377	67,923	23,377	67,923
	97,018	176,816	192,782	297,501

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

20. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	68,292	64,268	68,292	64,268
Trade creditors	160,354	154,846	150,041	142,449
Other taxation and social security	50,177	40,012	46,041	34,914
Obligations under finance lease and hire purchase contracts	16,726	8,695	16,726	8,695
Other creditors	126,980	158,766	120,980	157,737
	422,529	426,587	402,080	408,063

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

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

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	78,671	311,963	78,671	311,963
Net obligations under finance lease and hire purchase contracts	18,859	1,099	18,859	1,099
	97,530	313,062	97,530	313,062

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Repayable by instalments	-	165,000	-	165,000
	-	165,000	-	165,000

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

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

NATIONAL HORSERACING COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

22. Statement of funds

Statement of funds - current year

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

NATIONAL HORSERACING COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

22. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 August 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2022 £
Peter O'Sullivan - simulator	-	30,000	-	(30,000)	-	-
	<u>246,763</u>	<u>1,470,530</u>	<u>(1,418,998)</u>	<u>(51,266)</u>	<u>-</u>	<u>247,029</u>
Total of funds	<u><u>1,280,509</u></u>	<u><u>2,716,418</u></u>	<u><u>(2,793,857)</u></u>	<u><u>-</u></u>	<u><u>1,537,000</u></u>	<u><u>2,740,070</u></u>

NATIONAL HORSERACING COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
Unrestricted funds						
Designated funds						
College improvements	56,335	-	-	-	-	56,335
General funds						
General funds	2,331,295	1,105,935	(908,407)	85,288	-	2,614,111
Reserves held in subsidiary	60,457	135,320	(133,189)	(25,288)	-	37,300
Pension reserve	(1,883,000)	-	(34,000)	-	243,000	(1,674,000)
	508,752	1,241,255	(1,075,596)	60,000	243,000	977,411
Total Unrestricted funds	565,087	1,241,255	(1,075,596)	60,000	243,000	1,033,746
Restricted funds						
Horseracing grant scheme	60,000	-	(2,000)	-	-	58,000
Regional training grant	64,175	141,000	(126,494)	-	-	78,681
Horsebox grant	25,000	-	-	-	-	25,000
Big Lottery funding	57,825	57,825	(86,738)	-	-	28,912
Peter O'Sullivan Trust - Lunge pen	48,125	-	-	-	-	48,125
The Racing Foundation- Lunge pen	8,045	-	-	-	-	8,045
BHA & HBLB programmes	-	1,258,163	(1,258,163)	-	-	-

NATIONAL HORSERACING COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

22. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
Peter O'Sullivan - simulator	-	30,000	-	(30,000)	-	-
IT Grant	-	30,000	-	(30,000)	-	-
MIS compliance manager	-	10,000	(10,000)	-	-	-
	<hr/> 263,170	<hr/> 1,526,988	<hr/> (1,483,395)	<hr/> (60,000)	<hr/> -	<hr/> 246,763
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total of funds</i>	<u>828,257</u>	<u>2,768,243</u>	<u>(2,558,991)</u>	<u>-</u>	<u>243,000</u>	<u>1,280,509</u>

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

Restricted Funds

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

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

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

Horsebox grant - to fund a new horsebox.

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

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

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

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

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

MIS compliance manager is a grant from the Racing Foundation to contribute to the Salary of the Contract Coordinator to assist in ensuring the maximum subsidy from Government funds to the costs of the Charity.

Transfer between funds

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

NATIONAL HORSERACING COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

23. Summary of funds

Summary of funds - current year

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

Summary of funds - prior year

	Balance at 1 August 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 July 2021 £
Designated funds	56,335	-	-	-	-	56,335
General funds	508,752	1,241,255	(1,075,596)	60,000	243,000	977,411
Restricted funds	263,170	1,526,988	(1,483,395)	(60,000)	-	246,763
	828,257	2,768,243	(2,558,991)	-	243,000	1,280,509

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

NATIONAL HORSERACING COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	2,894,369	-	2,894,369
Current assets	553,026	246,763	799,789
Creditors due within one year	(426,587)	-	(426,587)
Creditors due in more than one year	(313,062)	-	(313,062)
Provisions for liabilities and charges	(1,674,000)	-	(1,674,000)
Total	1,033,746	246,763	1,280,509

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

	Group 2022 £	Group 2021 £
Net (expenditure)/ income for the year (as per statement of financial activities)	(77,439)	209,252
Adjustments for:		
Depreciation charges	118,680	98,108
Loss on the sale of fixed assets	9,958	-
Decrease in stocks	12,257	3,946
Decrease/(increase) in debtors	79,798	(92,223)
(Decrease)/ increase in creditors	(16,113)	45,006
Interest paid	15,869	20,760
Defined benefit pension adjustment	27,000	34,000
Net cash provided by operating activities	170,010	318,849

NATIONAL HORSERACING COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022

26. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	245,714	591,481
<i>Total cash and cash equivalents</i>	245,714	591,481

27. Analysis of changes in net debt

	At 1 August 2021 £	Cash flows £	At 31 July 2022 £
Cash at bank and in hand	591,481	(345,767)	245,714
Debt due within 1 year	(64,268)	(4,024)	(68,292)
Debt due after 1 year	(311,963)	233,292	(78,671)
Finance leases	(9,794)	(25,791)	(35,585)
	205,456	(142,290)	63,166

28. Capital commitments

	Group 2022 £	Group 2021 £
<i>Contracted for but not provided in these financial statements</i>		
Acquisition of tangible fixed assets	-	38,000

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

29. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge includes contributions payable by the company to the fund and amounted to £52,061 (2021: £47,235). Contributions totalling £6,047 (2021: £2,035) were payable to the fund at the balance sheet date and are included in creditors.

The group operates a defined benefit pension scheme.

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

A full actuarial valuation was carried out as at 31 March 2019 and to the 31 July 2022 specifically for the college by Hymans Robertson LLP.

The contributions made for the year ended 31 July 2022 were £53,000 (2021: £56,000).

At the balance sheet date there were outstanding contributions payable of £5,001 (2021: £4,497).

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

	At 31 July 2022	At 31 July 2021
	%	%
Discount rate	3.50	1.60
Future salary increases	3.75	3.85
Future pension increases	2.75	2.70

	At 31 July 2022	At 31 July 2021
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	22.6	22.5
- at 65 for a male aged 45 now	24.1	24.0
- for a female aged 65 now	25.4	25.3
- at 65 for a female aged 45 now	27.3	27.2

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

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

	At 31 July 2022	At 31 July 2021
	£	£
Equities	2,322,880	1,593,000
Government bonds	751,520	465,000
Other bonds	-	252,000
Property	307,440	292,000
Cash and other liquid assets	34,160	60,000
Other	-	657,000
Total fair value of assets	3,416,000	3,319,000

The actual return on scheme assets was £143,000 (2021 - £463,000).

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

	2022	2021
	£	£
Current service cost	54,000	60,000
Past service cost	-	(55,000)
Interest income	(53,000)	(46,000)
Interest cost	79,000	75,000
Administrative expenses	-	1,000
Total amount recognised in the Consolidated Statement of Financial Activities	80,000	35,000

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29. Pension commitments (continued)

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

	2022
	£
Opening defined benefit obligation	4,993,000
Current service cost	54,000
Interest cost	79,000
Contributions by scheme participants	8,000
Actuarial (gains)/losses	(1,450,000)
Benefits paid	(104,000)
	<hr/>
Closing defined benefit obligation	3,580,000
	<hr/> <hr/>

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

	2022
	£
Opening fair value of scheme assets	3,319,000
Expected return on assets	53,000
Actuarial gains	87,000
Contributions by employer	53,000
Contributions by scheme participants	8,000
Benefits paid	(104,000)
	<hr/>
Closing fair value of scheme assets	3,416,000
	<hr/> <hr/>

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

	2022	2021
	£	£
Defined benefit obligation	(3,580,000)	(4,993,000)
Scheme assets	3,416,000	3,319,000
	<hr/>	<hr/>
Deficit	(164,000)	(1,674,000)
	<hr/>	<hr/>
Experience adjustments on scheme liabilities	1,450,000	(175,000)
Experience adjustment on scheme assets	87,000	418,000

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NOTES TO THE FINANCIAL STATEMENTS
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30. Operating lease commitments

At 31 July 2022 the group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Not later than 1 year	2,547	1,643	2,547	1,643
Later than 1 year and not later than 5 years	238	1,980	238	1,980
	2,785	3,623	2,785	3,623

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Operating lease rentals	5,258	18,902	5,258	18,902

31. Related party transactions

During the year purchases were made from NHC Trading Limited (a wholly owned trading subsidiary) totalling £7,120 (2021: £2,896). Management charges of £50,000 were made in the year to NHC Trading Limited (2021: £49,915). At the year end £98,089 (2021: £134,721) was due from NHC Trading Limited.

32. Controlling party

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