

COMPANY REGISTRATION NUMBER: 02266267
CHARITY REGISTRATION NUMBER: 700405

National Horseracing College Limited
Company Limited by Guarantee
Trustees Report and Financial Statements
31 July 2024

SUTTON MCGRATH HARTLEY

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

National Horseracing College Limited

Company Limited by Guarantee

Financial Statements

Year ended 31 July 2024

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Trustees' Annual Report

Year ended 31 July 2024

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

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

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Trustees' Annual Report *(continued)*

Year ended 31 July 2024

OVERVIEW

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

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

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

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

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

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

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

OBJECTIVES AND ACTIVITIES

Policies and objectives

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

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

Strategies for achieving objectives

- Provide accessible and inclusive training opportunities for people wanting to work in the horse racing industry.
 - Ensure training is realistic and relevant but delivered progressively to develop learners to be ready for work.
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Year ended 31 July 2024

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

Activities undertaken to achieve objectives

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

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

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

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

PRIORITIES

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

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

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

Year ended 31 July 2024

CONTEXT

Overheads

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

Efficiency

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

Revenue

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

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

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

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

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Trustees' Annual Report *(continued)*

Year ended 31 July 2024

Staffing In The Horseracing Industry

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

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

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

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

ACTIVITIES AND ACHIEVEMENTS

Marketing and Recruiting (M&R)

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

Study Programmes

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

Doncaster Equine College (DEC) Programme

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

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

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

Foundation Course

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

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

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

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

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

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

Basic Skills (English & Maths)

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

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

Apprenticeships

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

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

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

Staff Performance

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

Fundraising and Commercial Activities

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

Infrastructure and Equipment

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

FINANCIAL REVIEW

Going concern

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

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

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Trustees' Annual Report *(continued)*

Year ended 31 July 2024

effective measures to preserve cash flow and increase its resilience.

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

Reserves policy

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

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

Pay policy for key management personnel

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

Financial performance

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

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

Pension fund

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

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

RISK MANAGEMENT

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

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

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Trustees' Annual Report *(continued)*

Year ended 31 July 2024

STRUCTURE AND GOVERNANCE

Constitution

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

Methods of appointment or election of Trustees

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

Organisational structure and decision-making policies

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

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

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

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

Policies adopted for the induction and training of Trustees

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

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

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

Statement of Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
 - observe the methods and principles of the Charities SORP (FRS 102);
 - make judgments and accounting estimates that are reasonable and prudent;
 - state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
-

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Trustees' Annual Report *(continued)*

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- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Disclosure of information to auditor

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

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

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

Auditor

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

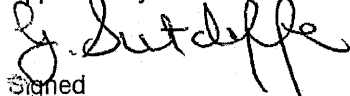
PLANS FOR FUTURE PERIODS

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

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

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

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



Signed

G Sutcliffe

Chairman

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

Year ended 31 July 2024

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

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

(continued)

Year ended 31 July 2024

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

National Horseracing College Limited

Company Limited by Guarantee

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

(continued)

Year ended 31 July 2024

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud. In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;

National Horseracing College Limited

Company Limited by Guarantee

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

(continued)

Year ended 31 July 2024

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

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

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

Use of our report

This report is made solely to the charity's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.



Howard Matthews (Senior statutory auditor)

for and on behalf of

Sutton McGrath Hartley

Queensgate House

23 North Park Road

Harrogate

HG1 5PD

Date: 5 March 2025

National Horseracing College Limited

Company Limited by Guarantee

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

Year ended 31 July 2024

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

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

National Horseracing College Limited
Company Limited by Guarantee
Consolidated Statement of Financial Position
Year ended 31 July 2024

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

National Horseracing College Limited

Company Limited by Guarantee

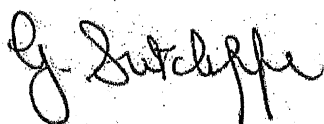
Consolidated Statement of Financial Position *(Continued)*

Year ended 31 July 2024

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

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

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



Mr Gerard Sutcliffe

(Chair of Trustees)

Date: Mar 5, 2025

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

National Horseracing College Limited

Company Limited by Guarantee

Company Statement of Financial Position

Year ended 31 July 2024

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

National Horseracing College Limited

Company Limited by Guarantee

Company Statement of Financial Position (Continued)

Year ended 31 July 2024

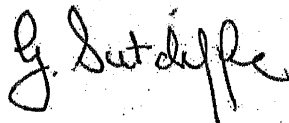
	Note	2024 £	2023 £
Charity funds			
Restricted funds	22	162,317	303,381
Unrestricted funds			
Designated funds	22	56,335	56,335
General funds		2,714,334	2,366,426
	22		
Unrestricted funds excluding pension asset	22	2,770,669	2,422,761
Pension asset	22	629,000	441,000
Total unrestricted funds	22	3,399,669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

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

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

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

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



Mr Gerard Sutcliffe
(Chair of Trustees)

Date: Mar 5, 2025

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

National Horseracing College Limited

Company Limited by Guarantee

Consolidated Statement of Cash Flows

Year ended 31 July 2024

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 July 2024

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

2.2 Company status

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

2.3 Going concern

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

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

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

2. Accounting policies (continued)

2.3 *Going concern (continued)*

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

2.4 *Income*

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

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

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

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

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

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

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

2.5 *Expenditure*

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

2. Accounting policies (continued)

2.5 Expenditure (continued)

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

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

All expenditure is inclusive of irrecoverable VAT.

2.6 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following bases:

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

2.7 Investments

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

2.8 Stocks

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

2. Accounting policies (continued)

2.9 Debtors

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

2.10 Cash at bank and in hand

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

2.11 Liabilities

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

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

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

2.12 Financial instruments

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

2.13 Finance leases and hire purchase

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

2.14 Operating leases

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

2. Accounting policies (continued)

2.15 Pensions

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

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

2.16 Fund accounting

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

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

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

2.17 Taxation

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

2.18 Employee benefits

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

4. Income from donations and legacies

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
<i>Donations</i>			
Pontefract race day income and Leger Legends income	40,099	40,099	31,136
	<u>40,099</u>	<u>40,099</u>	<u>31,136</u>
	<u>31,136</u>	<u>31,136</u>	
Total 2023	<u>31,136</u>	<u>31,136</u>	

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

5. Income from charitable activities

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

Grants

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2024£	Total funds 2024 £	Total funds 2023 £
NHC Trading Limited	127,836	127,836	141,857
	<u>127,836</u>	<u>127,836</u>	<u>141,857</u>
Total 2023	141,857	141,857	
	<u>141,857</u>	<u>141,857</u>	

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

7. Other incoming resources

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

8. Expenditure on raising funds

Costs of raising voluntary income

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

Other trading expenses

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

9. Analysis of expenditure on charitable activities

Summary by fund type

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

10. Summary by expenditure category

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

11. Other expenditure

	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Bank and other interest	11,445	11,445	9,297
	<u>11,445</u>	<u>11,445</u>	<u>9,297</u>
Total 2023	9,297	9,297	
	<u>9,297</u>	<u>9,297</u>	

12. Governance costs

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

13. Net income/(expenditure)

This is stated after charging:

	2024 £	2023 £
Depreciation of tangible fixed assets owned by the group	73,750	117,657
Depreciation of tangible fixed assets held under finance leases	53,750	5,226
Auditor's remuneration- audit	13,650	10,292
Profit on disposal	(6,090)	-
	<u>134,060</u>	<u>133,175</u>

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2024

14. Staff costs

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

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

Group 2024	Group 2023
No.	No.
62	59

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

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

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

15. Trustees' remuneration and expenses

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

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2024

16. Tangible fixed assets

Group

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2024

16. Tangible fixed assets (continued)

Company

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

16. Fixed asset investments

<i>Company</i>	Investments in subsidiary companies £
<i>Cost or valuation</i>	
At 1 August 2023	2
At 31 July 2024	<u>2</u>
<i>Net book value</i>	
At 31 July 2024	<u>2</u>
At 31 July 2023	<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 Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

17. Fixed asset investments

(continued) Principal subsidiaries

The following was a subsidiary undertaking of the company:

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

The financial results of the subsidiary for the year were:

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

18. Stocks

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

19. Debtors

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

20. Creditors: Amounts falling due within one year

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

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

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

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

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

22. Statement of funds

Statement of funds - current year

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

22. Statement of funds

Statement of funds – prior year

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

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

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

Restricted Funds

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

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

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

Horsebox grant - to fund a new horsebox.

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

The BHA & HBLB programmes fund is money received from the British Horseracing Association in order for the college to deliver 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.

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

23. Summary of funds

Summary of funds - current year

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

Summary of funds - prior year

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

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

24. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

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

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

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2024

26. Analysis of cash and cash equivalents

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

27. Analysis of changes in net debt

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2024

28. Pension commitments

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

The group operates a defined benefit pension scheme.

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

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

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

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

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

	At 31 July 2024	At 31 July 2023
	%	%
Discount rate	5.00	5.05
Future salary increases	3.35	3.60
Future pension increases	2.75	3.00
	<hr/> <hr/>	<hr/> <hr/>
	At 31 July 2024	At 31 July 2023
	Years	Years
Mortality rates (in years)		
- for a male aged 65 now	20.5	20.6
- at 65 for a male aged 45 now	21.3	21.4
- for a female aged 65 now	23.6	23.6
- at 65 for a female aged 45 now	25.0	25.0
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National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2024

28. Pension commitments (continued)

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

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

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

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

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements (Continued)

Year ended 31 July 2024

28. Pension commitments (continued)

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

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

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

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

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

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

National Horseracing College Limited

Company Limited by Guarantee

Notes to the Financial Statements *(Continued)*

Year ended 31 July 2024

29. Operating lease commitments

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

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

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

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

30. Related party transactions

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

31. Controlling party

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