

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED

England & Wales · Charity number 1002705

Details

Other names	RAC FOUNDATION FOR MOTORING AND THE ENVIRONMENT LIMITED, RAC FOUNDATION FOR MOTORING LIMITED, RAC FOUNDATION, RAC FOUNDATION FOR MOTORING
Status	Registered
Legal form	Charitable company
Company number	02596548
Registered	1991-04-26
Register	View on the Charity Commission register

Contact

Address	89-91 Pall Mall London SW1Y 5HS
Phone	02077473485
Email	info@racfoundation.org
Website	www.racfoundation.org

Activities

Objects: TO PROMOTE FOR THE PUBLIC BENEFIT RESEARCH INTO THE ENVIRONMENTAL, ECONOMIC, MOBILITY AND SAFETY ISSUES RELATING TO THE USE OF MOTOR VEHICLES, INCLUDING THE PUBLICATION OF THE USEFUL RESULTS THEREOF AND, IN PARTICULAR, BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING, TO PROMOTE OR CONDUCT RESEARCH INTO VEHICLE EMISSIONS, VEHICLE TECHNOLOGY, FUEL TECHNOLOGY, THE ENVIRONMENTAL IMPACT OF ROAD TRANSPORT, MOBILITY AND TRANSPORTATION NEEDS

Activities: THE ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING IS A TRANSPORT POLICY AND RESEARCH ORGANISATION WHICH EXPLORES ISSUES RELATING TO ROADS AND THEIR USERS. THE FOUNDATION PUBLISHES INDEPENDENT AND AUTHORITATIVE RESEARCH WITH WHICH IT PROMOTES INFORMED DEBATE AND ADVOCATES POLICY IN THE INTEREST OF THE RESPONSIBLE MOTORIST. .

Classification

- **How:** Sponsors Or Undertakes Research
- **What:** The Advancement Of Health Or Saving Of Lives, Environment/conservation/heritage, Economic/community Development/employment
- **Who:** The General Public/mankind

Geography

- Northern Ireland
- Scotland
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£771,400	£977,337	£36,591,735	6
2023-12-31	£993,553	£1,009,954	£34,410,170	7
2022-12-31	£481,672	£995,960	-	-
2021-12-31	£579,861	£1,150,666	£36,877,025	7
2020-12-31	£571,701	£1,213,502	£33,971,965	7

Trustees

Name	Role	Appointed
Neville Jackson	Chair	2020-04-29
BEN CUSSONS		2024-07-17
Dave Hobday		2017-04-24
Duncan Wiltshire		2024-07-17
Joanna Mary Baker		2019-04-29
Paul Maley		2022-10-13
Sujith Kollamthodi		2020-04-29

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED

England & Wales - Charity number 1002705

Accounts

Company Registration No. 2596548 (England and Wales)
Charity No. 1002705

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2024

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

CONTENTS

	Page
Legal and administrative information	1
Chairman's Report	2
Report of the Trustees	3
Independent auditors' report	12
Statement of financial activities	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees	Professor N Jackson, Chairman Ms J Baker Mr B Cussons Mr D Hobday Mr S Kollamthodi Mr P Maley Mr D Wiltshire (Appointed 23/09/2024)
Director	Mr S Gooding CB
Registered office	Royal Automobile Club Foundation for Motoring Limited 89-91 Pall Mall London SW1Y 5HS
Company registration number	2596548
Charity number	1002705
Independent Auditors	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	National Westminster Bank Plc 208 Piccadilly London W1A 2DG
Investment Advisors	Barnett Waddingham Cheapside House 138 Cheapside London EC2V 6BW
Investment Managers	Pictet Asset Management Moor House 120 London Wall London EC2Y 5ET Cazenove Capital 1 London Wall Place London EC2Y 5AU

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

2024 was a busy year for the Foundation pursuing projects which should help guide and inform the development of motoring-related policy by the new government following the general election, rather than having immediate effect. Our hope is that the new government will pick up and run with a number of issues that had stalled under the previous administration, not least in the pressing need to improve road safety and move the country, and motoring within it, into a net zero carbon future. Much of the work of the Foundation is about maintaining sustained interest and continuing to build the evidence base in support of initiatives that will ultimately deliver cleaner, safer, technology-enabled, data-informed mobility.

I am pleased, as Chairman, to see members of the Foundation team being invited to participate in the wide range of activities – conferences, workshops and advisory boards – as documented in the Annual Report below. The fact that the Foundation's engagement is sought so widely is important evidence for the Trustees of the ongoing relevance of the Foundation's activity and the knowledge of its staff.

The Foundation owes a huge debt of gratitude to my fellow Trustees for their active engagement and encouragement throughout the year. I am grateful to Ben Cussons, Jo Baker and Paul Maley for their work on our Investment Sub-Committee, tasked with ensuring that despite the economic uncertainties of the year gone by the Royal Automobile Club's generous endowment continues to generate the returns that fund the Foundation's activities, and I am pleased to welcome Duncan Wiltshire who has joined us as Club nominee on becoming Club chairman, and to thank Ben Cussons for agreeing to be reappointed in his personal capacity as a Trustee in order to see through the transfer of the Foundation's endowment to new fund managers.

It was with great sadness that we heard of the death in 2024 of former trustee and long-time friend of the Foundation David Bayliss. David was a huge figure in the transport policy world and we will not be alone in missing his contribution and his challenge.

Thanks are due to the Club staff who successfully managed the relocation of the Foundation's offices alongside the Simms Business Centre this year. I would also like to thank the members of our advisory Public Policy Committee, who not only bring their own knowledge and experience to the table but also provide access to a valuable network of contacts.

As 2025 gets underway the policy environment for motoring continues to pose many challenges, including the pressing needs to cut vehicle emissions, improve safety, and manage through difficult economic circumstances. There are also opportunities, not least in the potential of fast-developing AI technologies to open new avenues for analysis. I look forward to the Foundation continuing to play its part, working collaboratively and continuing to be an informed and constructive participant in the debate.


ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED

Professor Neville Jackson
Chairman

April 2025

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustees (who are directors for the purposes of Company law) are pleased to present their annual Trustees' report together with the financial statements of the RAC Foundation for the year ended 31 December 2024. The legal and administrative information on page 1 forms part of this report.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS 102).

Objectives and activities

The objective of the Foundation is:

- to promote for the public benefit research into the environmental, economic, mobility and safety issues relating to the use of motor vehicles.

The Foundation's aim, and the basis of the public benefit it seeks to secure, is to ensure policy relating to motoring is well informed by data, analysis and research. In practice this means the Foundation seeks to illuminate, inform and influence the debate about motoring, roads and road use, taking the perspective of the responsible motorist, with a particular focus on affordable, safe and sustainable mobility.

The Foundation's activities:

- Researching/analysing – the Foundation commissions and disseminates research and analysis from a variety of experts in the academic and consultancy worlds; the staff of the Foundation also conduct research and analysis directly. Material is published on the Foundation's website, sometimes alongside a limited run of hard-copy documents, and disseminated through a variety of media. The research programme is reviewed by the Trustees for consistency with the Foundation's charitable purposes. In addition to disseminating the Foundation's own work, the Foundation also seeks to bring other relevant research material to the notice of those involved in the development of transport policy;
- Commenting/reacting – the Foundation seeks to engage with the issues of the day, insofar as they relate to motoring and road use, in particular drawing on the back catalogue of Foundation research and the expertise and knowledge of Foundation staff to offer an informed perspective. This involves briefing journalists and appearing in the media, including specialist journals, and through to giving evidence e.g. to parliamentary committees; and
- Engaging/debating – the Foundation seeks to make contact and engage with a wide range of organisations active in the development of transport policy and the delivery of transport services at a national and a local level, including the Department for Transport, the Treasury, the Department for the Environment, Farming and Rural Affairs, the Ministry of Housing, Communities and Local Government, and National Highways, with professional bodies and associations such as the Association of Directors of Economy, Environment, Planning and Transport and the Chartered Institution of Highways & Transportation, and trade associations including the Society of Motor Manufacturers and Traders and the British Vehicle Rental and Leasing Association. Foundation staff are encouraged to accept invitations to present material at conferences and workshops, join stakeholder groups and sounding boards, and to host and facilitate workshops.

Our ambition is for the Foundation to explore, inform and promote policies that will get people and goods where they need to be, when they need to be there, in safety, affordably, with minimum environmental impact, and to achieve that the Foundation seeks to ensure that the development of policy relating to motoring and road use – nationally and locally – is well-informed by drawing the attention of those

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

involved to the relevant data, analysis and research whether conducted or commissioned by the Foundation or from others.

In reviewing our objectives and research programme the Trustees confirm that they have regard to the Charity Commission's guidance on public benefit and consider each year how the Foundation meets its public benefit objectives.

Achievements and performance

There is no escaping the fact that the calling of a general election in May and the subsequent change of government impacted on several areas of Foundation interest, not always positively. Progress on implementing the new framework for regulation of the private parking industry, already much delayed, slid back still further as the team at the Ministry of Housing got to grips with the new government's headline priorities of reforming the planning system, reshaping local government and promoting large scale housebuilding. A one-year extension was arranged for the National Highways Road Investment Strategy second period to allow more time to develop the third. The tight financial situation led to the dropping of a number of road schemes, predictably the A27 Arundel By-Pass, perhaps less predictably the Stonehenge Tunnel. And while the new government's commitment to establishing a new road safety strategy was very welcome it remains to be seen whether the product, once revealed in 2025, contains measures advocated by the Foundation, including those to help young people become safe drivers, are included.

That said, it was encouraging for the Foundation to be invited on to the panel for the launch of work on the government's new Integrated National Transport Strategy, to be on the advisory group for development of the new road safety strategy, and to join the Department for Transport's capital project advisory panel. And it is clear that in early decisions on tax and spending the government has been mindful of the issues and evidence the Foundation has highlighted on the need to address the poor condition of the road network, recognise the important part motoring plays in support of the economy, and the impact of transport costs (including petrol/diesel) on household budgets.

On the staffing front we were pleased to welcome Ruby Martin as a new recruit to the Foundation analytical team in September. Ruby joined us straight from completing her first degree and brings her particular interest in transport economics. We also gave a warm welcome to Duncan Wiltshire on becoming chairman of the Royal Automobile Club and taking one of the two Club nominated trustee positions, and were pleased that Ben Cussons agreed to be re-appointed as a trustee in his personal capacity to see through the re-investment of the Foundation's endowment with new fund managers following a review by the Investment Sub-Committee which he chairs. Both Duncan and Ben have a keen, lifelong interest in motoring.

The Foundation maintained the output of key data series, including the annual highway bridge condition survey, undertaken in partnership with the Association of Directors of Economy, Environment, Planning and Transport, fuel prices, local authority parking income, and both the 'greening' (take-up of plug-in vehicles) and 'cleaning' (compliance with clean air zone limits) of the car parc.

Through the year the Foundation team participated in an array of conferences, workshops and seminars including, to give a flavour of the variety, the Transport Technology Forum annual conference (in Leicestershire), the PACTS Driving Change conference, the EV Infrastructure Summit, Highways UK (at the NEC), the Transport Planning Society's annual conference, the National Highways Research & Innovation Advisory Panel, and the ADEPT Traffic Managers' conference as well as playing host to Young Driver Focus at the Royal Automobile Club in Pall Mall. Participation in these events is valuable for spreading awareness of Foundation output, for staying abreast of the latest thinking and for making fresh connections, and in line with our public interest purpose to promote well-informed public policy development.

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

The Foundation also hosted a number of successful events, most notably its annual ‘Data, driven’ conference in April, a by-invitation event bringing together leading experts and enthusiasts in the field of road transport data, both to present valuable content and fresh thinking and also facilitate networking opportunities for attendees, and the annual Winter Reception, run jointly with RAC Motoring Services and the Royal Automobile Club which provides the opportunity for the Foundation to thank the many people it has worked with throughout the previous 12 months and this year to hear the emerging findings from some work commissioned from the London School of Economics Cities Unit comparing the policy stance and public acceptance of city transport strategies in Germany and the UK, which will be published in 2025.

Publications in 2024 included ‘Data linkage in road safety: Bridging the divide to support better health outcomes’ documenting research by Seema Yalamanchili from Imperial College highlighting the benefits of better integrating collision and medical data to improve road safety understanding and outcomes; ‘Driving as an employment qualification’, internal analysis revealing that more than one in six jobs being advertised in the UK requires applicants to be able to drive, a higher proportion than the years preceding the COVID-19 pandemic; ‘Old dogs and new tricks – an electrifying trip’ which documented what was effectively an internal ‘mystery shopper’ experience of using a variety of public chargepoints for an electric car; ‘Delivering a connected future for motoring – a case study of limited mobile signal coverage on public electric vehicle chargepoint use’ using commercially sourced data to generate a ‘pathfinder’ mapping of signal coverage at public electric vehicle chargepoints showcasing the challenge of ensuring reliable public charging infrastructure for EVs and the potential for deploying innovative solutions to overcome the connectivity hurdles caused by patchy signal coverage; and ‘Safe mobility for young people – a proposal’, a short report proposing a limited set of measures that together, with minimal restrictions, help young people develop safe driving skills.

The Foundation also published the write-up of Nottingham University work, presented at the 2023 Winter Reception, investigating the dynamics of driver and passenger interactions in automated vehicles, building upon two previously published reports exploring issues needing to be addressed in the development and transition to automated driving.

All the above research and publications are aimed at providing evidence and insight that will secure public benefit by helping, in turn, improve the design of road safety interventions, highlight the importance of motoring for mobility to access employment, support the transition to net-zero carbon motoring through the take-up of electric cars, and inform the design and regulation of technologies to deliver automated driving. All are available free-of-charge on the Foundation website.

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Future plans

The Foundation will continue to invest in the professional development of the Foundation staff, in particular through various on-line training opportunities and conferences.

As in previous years, the Foundation will continue to seek out fresh data sets, opportunities for joint working with other organisations to reach a broader audience, including professional institutions, member organisations and the higher education sector, and the scope to make the most of its internal analytical capabilities.

Similarly we expect no let-up in interest in issues such as carbon reduction, the promotion of improved air quality, the desire to improve road safety and, as the vehicle parc moves away from fossil fuels, debate about what, if anything, should take the place of fuel duty income for the Treasury, with potentially growing interest in roads spending as a result of challenging economic circumstances and construction cost inflation.

2025 will see the publication of the London School of Economics work mentioned above, along with analysis on various other projects and the routine updating of the many data pages on the Foundation website. The Foundation also plans to build on Seema Yalamanchili's work, ('Data linkage in road safety: Bridging the divide to support better health outcomes' mentioned above) bringing key players from the health, transport and data worlds together to make tangible progress.

The Foundation will be continuing to make the case for measures to help young drivers, to improve the investigation of the contributory causes of road crashes, to regulate the private parking management industry and address the issues in motoring caused by inconsistent mobile signal coverage. The Foundation also plans to establish a sustainable motoring scorecard to track the extent to which motoring is moving in a safer more sustainable direction over time.

Financial Review

The work of the Foundation is very largely funded from the return achieved on the investment of the original charitable endowment gifted by the Royal Automobile Club in 1998. This covers the salaries of the Foundation's permanent staff, accommodation and office expenses, and provides a core budget for commissioned research and publications.

The Foundation supplements this from time-to-time through joint working with other bodies and, specifically for the Drive Fit project, which is updating guidance to schools on pre-driving road safety education, this includes a grant of £25,000 from the Road Safety Trust.

The Foundation does not raise money from the public or from its Trustees.

In the Statement of Financial Activities on page 16, income from half the investment portfolio is received in the form of dividends and interest £742,000 (2023: £719,869). The rest of the investment portfolio is held in an accumulation fund where dividends etc. are reinvested. Cash withdrawn from this fund is realised through the disposal of units in the accumulation fund and is represented on the Statement of Financial Activities on page 16 as the transfer of £468,000 (2023: £234,000) from the Expendable endowment to the Unrestricted reserves.

The net gain/(loss) on investments in the year was £2,387,502 (2023: £1,680,465) contributing to a total net movement of funds in the year of £2,181,565 (2023: £1,430,064).

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Expendable endowment fund

This represents the original donation in 1998 at the time the Foundation was established in its current corporate form, as adjusted for subsequent movements in investment values, investment management costs and any expenditure of the endowment. The fund can be retained as capital or disbursed at the Trustees' discretion for any purpose within the Foundation's objects, and at year-end 2024 was valued at £31,818,803 (2023: £29,985,630), a gain/(loss) of £1,833,173 (2023: £1,363,747) over the year.

Taking one year with another, despite the ongoing turbulence in investment markets consequent on international factors such as the war in the Ukraine and the situation in Gaza, the Trustees are content that the value of the expendable endowment is being satisfactorily maintained so as to ensure the long-term viability of the Foundation without the need to seek further charitable donations.

Restricted income fund

This represents funds given for particular purposes within the Foundation's objects – specifically the grant of £25,000 from the Road Safety Trust for the DriveFit pre-driver education project.

Unrestricted income fund

This represents accumulated unspent income and can be used at the Trustees' discretion for any purpose within the Foundation's objects and stands at £4,774,590 (2023: £4,424,540) at year end.

Reserves and Investment policy

The Trustees' policy is to maintain in the long term the real value of the expendable endowment fund and also to generate sufficient income to cover proposed (budgeted) expenditure in-year.

The Investment Sub-Committee monitors the fund managers' investment performance through the year, drawing on independent advice from Barnett Waddingham on their performance relative to the broader market, and reports to the full Trustee meeting on the current valuation and prospects for the future value of the endowment, and hence the affordability of the Foundation's budget, at the regular Trustee meetings.

On advice from the Investment Sub-Committee, based on a market review conducted by Barnett Waddingham, the Trustees decided to transfer the expendable endowment currently managed by Pictet to managers with a different investment strategy, with the continued aim of spreading risk in an uncertain investment climate by investing with managers with different, complementary, investment strategies, but also with an eye to the scale of managers' fees. The transfer is expected to take place in the first half of 2025.

Meantime, the Trustees were on balance satisfied that the investment performance of the endowment was sufficient to support a sustained operating budget for the Foundation through the year and for the planned expenditure in 2025.

Rather than earmark a discrete reserve, the Trustees continue to take the view that short term risks to the Foundation budget can be managed by authorising an exceptional drawdown from the expendable endowment. The Foundation's investment managers and fund managers have previously confirmed that they regard this as a manageable approach, consistent with the Trustees' stated investment objectives.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Structure, governance and management

Governing document

The Royal Automobile Club Foundation for Motoring Limited is a company limited by guarantee, governed by its Memorandum and Articles of Association, incorporated 28 March 1991 as amended 30 March 1999, 31 July 2000 and 27 January 2005. It is registered as a charity with the Charity Commission.

Appointment of Trustees

The Articles of Association prescribe that there shall be a minimum of five Trustees. The Trustees are then collectively responsible for the appointment and reappointment of trustees. Up to four trustee positions may be filled by nominees of the Royal Automobile Club (2) and RAC Motoring Services (2), subject to the approval of the Trustees. The Trustees may nominate one of their number to serve as Chair. The Trustees meet three times a year (April, July and November). While the Articles of Association allow for decisions to be taken on the basis of a majority vote in a quorate meeting, in practice all Trustees' decisions have been unanimous.

As noted above, during 2024 Duncan Wiltshire was appointed as one of the two Club nominees and Ben Cussons was appointed in his personal capacity and will continue to chair the Investment Sub-Committee.

With the approval of the Trustees, as cleared with the Charity Commission, the Chairman receives £30,000 fees per annum for advisory services outwith his responsibilities as chair.

The Foundation's pay policy for staff is approved as part of the annual budget setting process in November each year. The Trustees separately consider and decide the Director's remuneration and bonus entitlement.

The Investment Sub-Committee comprises Ben Cussons (Chair), Jo Baker and Paul Maley, with the Foundation's director as secretary, and is advised by Barnett Waddingham.

The Trustees are assisted in the discharge of their duties by a 'Public Policy Committee' (PPC) – comprising individuals who the Trustees have invited in recognition of the perspectives and expertise they can offer on motoring and road policy. PPC members receive no remuneration. The PPC meets four times a year.

A system is in place to alert Trustees of the Foundation to their legal responsibilities and to ensure that they are eligible to act in such capacity. New Trustees are briefed on their roles as Trustees and asked to sign proformas to draw their attention to their duty to comply with charity and company law and to act in the interests of the Foundation even when this may conflict with personal or other interests. Induction sessions are held to inform Trustees of the scope, objects and activities of the Foundation.

Office administration

The Foundation contracts with the Royal Automobile Club for the provision of office accommodation, IT support, payroll management and BACS. The Club also affords the Foundation the equivalent of corporate membership, through which the Foundation is able to book the Club's conference and catering facilities, which are then recharged at the Club's standard rates. The Foundation is grateful to the Club for the smooth relocation of its office alongside the Club's business centre which, barring a few hours of packing and unpacking, enabled the Foundation to continue working effectively throughout the move.

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Risk Management

The Trustees reviewed the Foundation risk register routinely as part of the review of the Director's report which is updated and presented to each of the Trustee meetings through the year. The register highlights five key risks and associated mitigations: reputational risk (e.g. arising from challenge to the accuracy of Foundation output); staff turnover; financial viability; interruption of service (e.g. IT system failure); and relevance of Foundation output. The Trustees also keep under review whether additional risks merit inclusion in the review.

Through 2024 the resourcing risk created by the departure of an analyst in 2023 was resolved with the successful appointment of Ruby Martin in the Autumn.

Related parties and co-operation with other organisations

The Foundation maintains a register of potential conflicts of interest of the Trustees, refreshed annually. No funds were held by the Foundation as a custodian trustee on behalf of others.

The Foundation has worked in partnership with various other bodies to run events during the year, including Young Driver Focus, PACTS and PA Consulting.

Despite the historical association between the Royal Automobile Club, the RAC Motoring Services Company and the Foundation – and the fact that the three seek to co-operate with each other (e.g. in sharing data and providing input to the Club's Motoring Committee) the Trustees do not consider either the Royal Automobile Club or the RAC Motoring Services business to constitute 'related parties' for accounting purposes.

Fundraising

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. The Charity does not actively raise funds or solicit donations directly from the general public. The Charity does not work directly with commercial sponsors in relation to fundraising. The Trustees are not aware of any complaints made in respect of fundraising during or subsequent to the period of this Report.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Trustees' Responsibilities Statement

The Foundation Trustees (who are also the directors of the Royal Automobile Club Foundation for Motoring Limited for the purposes of company law) are responsible for preparing a Report of the Trustees and 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information of which the charitable company's auditor is unaware, and
- the Trustees have each taken all steps that they are obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024

28th April 2025

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of Royal Automobile Club Foundation For Motoring Limited for the year ended 31 December 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 charitable company's state of affairs as at 31 December 2024 and of its 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 Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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.

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 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 to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also 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 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 charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

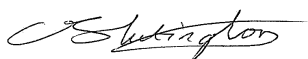
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Use of our report

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



Cara Turtington (Senior Statutory Auditor)
For and on behalf of Saffery LLP
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 9 June 2025

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2024 Total £	2023 Total £
Income from						
Investments	2	742,000	-	-	742,000	719,869
Grants		4,400	25,000	-	29,400	39,684
Total Income		746,400	25,000	-	771,400	759,553
Expenditure on:						
Raising funds		-	-	86,329	86,329	82,718
Charitable activities	3	866,600	24,408	-	891,008	927,236
Total Expenditure		866,600	24,408	86,329	977,337	1,009,954
Net gain/(loss) on investments	8	-	-	2,387,502	2,387,502	1,680,465
Net (deficit)/ income for the year		(120,200)	592	2,301,173	2,181,565	1,430,064
Transfers between funds	11	468,000	-	(468,000)	-	-
Net movement in funds		347,800	592	1,833,173	2,181,565	1,430,064
Reconciliation of funds:						
Total funds brought forward		4,424,540	-	29,985,630	34,410,170	32,980,106
Total funds carried forward		4,772,340	592	31,818,803	36,591,735	34,410,170

The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources derive from continuing activities.

The notes on pages 19 to 29 form part of these financial statements.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

BALANCE SHEET 31 DECEMBER 2024

	Note	2024 £	2023 £
Fixed Assets			
Tangible fixed assets	7	3,690	-
Investments	8	<u>36,456,389</u>	<u>34,469,500</u>
		36,460,079	34,469,500
Current Assets			
Debtors	9	21,266	23,333
Cash at bank and in hand		<u>383,933</u>	<u>175,550</u>
		405,199	198,883
Creditors: Amounts falling due within one year	10	<u>(273,543)</u>	<u>(258,213)</u>
Net current assets		131,656	(59,330)
Net Assets		<u>36,591,735</u>	<u>34,410,170</u>
Funds			
Unrestricted funds	11	4,772,340	4,424,540
Restricted funds	12	592	-
Expendable endowment funds	13	<u>31,818,803</u>	<u>29,985,630</u>
		<u>36,591,735</u>	<u>34,410,170</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 19 to 29 form part of these financial statements.

The financial statements were approved by the Trustees on 28th April 2025



N Jackson
Chairman



B Cussons
Trustee

Company Registration No. 2596548 (England and Wales)

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 £	2023 £
Net cash used in operating activities	17	(851,339)	(1,010,207)
<u>Cash flows from investing activities</u>			
Purchases of investments		(18,187,962)	(1,241,870)
Proceeds from disposal of investments		18,187,962	1,078,711
Purchase of fixed assets		(3,881)	-
Investment income received		558,306	716,496
Withdrawal from endowment		468,000	234,000
Net cash from investing activities		<u>1,022,425</u>	<u>787,337</u>
Net (decrease)/increase in cash & cash equivalents		171,086	(222,870)
Cash and cash equivalents at the beginning of the year		371,888	594,758
Cash and cash equivalents at end of the year	17,18	<u><u>542,974</u></u>	<u><u>371,888</u></u>

The notes on pages 19 to 29 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1. Accounting convention

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The Foundation's operational and functional currency is pounds sterling.

Based on the value of the expendable endowment funds, the Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern.

1.1. Income

Investment income is accounted for on a receivable basis.

Grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

1.2. Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of VAT which cannot be recovered. Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising investment income. Other direct, support and governance costs are allocated to charitable activities as they are incurred.

1.3. Tangible fixed assets and depreciation

Items purchased are capitalised when they cost over £1,000 and have ongoing value to the Foundation.

Depreciation is provided at the following rates to write off the cost of each asset over its expected useful life:

Office equipment - 3 to 10 years

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1.4. Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

1.5. Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.6. Funds

Expendable endowment fund (see note 13)

This represents the original donation in 1998 at the time the Foundation was set up, as adjusted for subsequent movements in investment values, investment management costs and any expenditure of the endowment. This fund can be retained as capital or used at the Trustees' discretion for any purpose within the Foundation's objects.

Unrestricted income fund

This represents accumulated unspent income and can be used at the Trustees' discretion for any purpose within the Foundation's objects.

Restricted income fund

This represents grant income received for specific projects.

1.7. Pensions

Retirement benefits to employees are funded by contributions from both the Foundation and employees, administered through the Royal Automobile Club pension scheme; a multi-employer scheme. Contributions to the scheme are on a defined contribution basis, and are charged to the Statement of Financial Activities in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1.8. Financial instruments

The Foundation has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost. For debt instruments this is calculated using the effective interest rate method.

1.9. Critical estimate and judgements and key sources of estimation uncertainty

In the application of the Foundation's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision effects both current and future periods. The Trustees consider that there are no areas of estimation uncertainty, and no critical estimates were required to prepare the financial statements.

2 Investment income

	2024	2023
	£	£
Dividends and interest receivable on fixed asset investments	738,717	716,496
Bank interest receivable	3,283	3,373
	<u>742,000</u>	<u>719,869</u>

3 Charitable activities

	2024	2023
	£	£
Staff Costs	557,258	550,958
Direct Costs	65,158	130,723
Support Costs	258,602	235,880
Governance costs (note 4)	9,990	9,675
	<u>891,008</u>	<u>927,236</u>

4 Governance costs

	2024	2023
	£	£
Audit fees	9,990	9,675
	<u>9,990</u>	<u>9,675</u>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

5 Staff costs and advisor fees

	2024	2023
	£	£
Wages and salaries	477,918	475,391
Social security costs	52,010	49,752
Employer's pension costs	27,330	25,815
	<u>557,258</u>	<u>550,958</u>
Number of employees with total remuneration between:	2024	2023
	Number	Number
£60,000 - £69,999	2	1
£70,000 - £79,999	1	1
£190,000-£199,999	-	1
£200,000 -£209,999	<u>1</u>	<u>-</u>

Contributions of £22,715 (2023: £22,189) were made to the group personal pension scheme on behalf of the highest paid employees.

The following trustees have been paid these amounts in respect of specialist advisor fees:

	2024	2023
	£	£
Neville Jackson	30,000	30,000

At 31 December 2024 there were no amounts owing in respect of the above advisor's fees (2023: none). No other amounts were paid to Trustees.

No expenses were either reimbursed to or paid directly on behalf of Trustees during the year 2023: no expenses).

The key management personnel of the Foundation comprise the Trustees and the Director. The total cost to the Charity of the key management personnel, including any relevant pension contributions, but excluding payments made to specialist advisors noted above, were £230,446 (2023: £220,063).

Staff numbers

The average number of employees during the year was made up as follows:

	2024	2023
	Number	Number
Director	1	1
Campaigns and research	5	6
	<u>6</u>	<u>7</u>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

6 Net movement in funds for the year

	2024	2023
	£	£
This is stated after charging:		
Depreciation	192	-
Auditors' remuneration - for audit	9,990	9,675
Auditors' remuneration - for other services	<u>4,410</u>	<u>4,270</u>

7 Tangible fixed assets

	Office equipment £
Cost	
Brought forward 1 January 2024	33,698
Additions	<u>3,882</u>
Carried forward 31 December 2024	37,580
Depreciation	
Brought forward 1 January 2024	33,698
Charge for year	<u>192</u>
Carried forward 31 December 2024	33,890
Net book value	
as at 31 December 2024	<u>3,690</u>
as at 31 December 2023	<u>-</u>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

8 Investments

	2024 £	2023 £
Managed and unitised funds		
Market value at 1 January	34,273,162	32,738,666
Additions at cost	18,368,373	1,241,870
Disposals	(18,187,962)	(1,078,711)
Investment (loss)/gains	2,387,502	1,680,465
Withdrawal from endowment portfolio	(468,000)	(234,000)
Investment managers fees	(75,727)	(75,128)
Market value at 31 December	36,297,348	34,273,162
Investment cash	159,041	196,338
Total Investments as at 31 December	36,456,389	34,469,500
Historical cost	35,661,837	32,166,197

All investments are carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value, using the bid price.

	2024		2023	
	Cost £	Market Value £	Cost £	Market Value £
Multi-asset funds	17,314,834	18,249,890	17,134,423	17,349,574
Property	-	-	-	-
Alternatives	18,187,962	18,047,458	14,835,437	16,923,588
Cash	159,041	159,041	196,338	196,338
Total	35,661,837	36,456,389	32,166,197	34,469,500

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

9 Debtors

	2024	2023
	£	£
Interest and dividends receivable	-	-
Prepayments	21,266	23,333
	<u>21,266</u>	<u>23,333</u>

10 Creditors

	2024	2023
	£	£
Accruals and other creditors	273,543	258,213
	<u>273,543</u>	<u>258,213</u>

11 Unrestricted Funds

	2024 Opening £	2024 Income £	2024 Expenditure £	2024 Transfer £	2024 Closing £
Unrestricted Funds	<u>4,424,540</u>	<u>746,400</u>	<u>(866,600)</u>	<u>468,000</u>	<u>4,772,340</u>
	2023 Opening £	2023 Income £	2023 Expenditure £	2023 Transfer £	2023 Closing £
Unrestricted Funds	<u>4,338,223</u>	<u>719,869</u>	<u>(867,552)</u>	<u>234,000</u>	<u>4,424,540</u>

The transfers into the unrestricted funds represent the following transaction:

- £468,000 (2023: £234,000) from the expendable endowment funds represents monies drawn down from an accumulating investment fund held as part of the Foundation's investment portfolio.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

12 Restricted Funds

	2024 Opening £	2024 Income £	2024 Expenditure £	2024 Transfer £	2024 Closing £
Road Safety Trust Company	-	25,000	(24,408)	-	592
	-	25,000	(24,408)	-	592
	2023 Opening £	2023 Income £	2023 Expenditure £	2023 Transfer £	2023 Closing £
Fédération Internationale de l'Automobile	-	42,761	(42,761)	-	-
Road Safety Investigation Branch	20,000	(3,077)	(16,923)	-	-
	20,000	39,684	(59,684)	-	-

The Road Safety Trust Company Fund represents money received for the Drive Fit project, which is updating guidance to schools on pre-driving road safety education.

The Road Safety Investigation Branch fund is for the Foundation to provide support and input to the work involved in creating a Road Safety Investigation Branch of the Department of Transport, specifically advising on the data, staff capabilities and prioritisation approaches that the new body is likely to require to fulfil its proposed statutory functions. During the year £3,077 representing the total of unspent funds was refunded back to the Department of Transport. This project was completed in 2023.

The Fédération Internationale de l'Automobile (FIA) Fund represents money received from the FIA in order to support a project led by the Imperial College to explore the extent to which non-traditional sources could be used to map actual and high-risk road crash locations accurately and devise improved strategies for responding to them. This project was completed in 2023.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

13 Expendable Endowment Funds

2024 Opening £	2024 Expenditure £	2024 Gains £	2024 Transfer £	2024 Closing £
29,985,630	(86,329)	2,387,502	(468,000)	31,818,803
2023 Opening £	2023 Expenditure £	2023 Gains £	2023 Transfer £	2023 Closing £
28,621,883	(82,718)	1,680,465	(234,000)	29,985,630

14 Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2024 £
Tangible fixed assets	3,690	-	-	3,690
Investments	-	-	36,456,389	36,456,389
Current assets	5,042,193	592	(4,637,586)	405,199
Liabilities	(273,543)	-	-	(273,543)
Balance at 31 December 2024	4,772,340	592	31,818,803	36,591,735

Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £
Tangible fixed assets	-	-	-	-
Investments	-	-	34,469,500	34,469,500
Current assets	4,682,753	-	(4,483,870)	198,883
Liabilities	(258,213)	-	-	(258,213)
Balance at 31 December 2023	4,424,540	-	29,985,630	34,410,170

15 Related parties

There were no related party transactions except those transactions with the Trustees in note 5 above.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

16 Limitation of liability

Every member (being the Trustees of the Foundation) guarantees £1 in the event of the Foundation being wound up while they are a member and for the year after they cease to be a member.

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

	2024 £	2023 £
Net movement in funds	2,181,565	1,430,064
Add back depreciation charge	192	-
Add back investment manager fee	75,727	75,128
Deduct investment income	(738,717)	(716,496)
Loss/(gain) on investments	(2,387,502)	(1,680,465)
Decrease/(increase) in debtors	2,066	8,489
Increase/(decrease) in creditors	15,330	(126,927)
Net cash used in operating activities	(851,339)	(1,010,207)

18 Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	383,933	175,550
Cash with investment manager	159,041	196,338
	542,974	371,888

19 Analysis of changes in net debt

	At 1 January 2024 £	Cashflows £	At 31 December 2024 £
Cash at bank and in hand	175,550	208,383	383,933
Cash with investment manager	196,338	(37,297)	159,041
	371,888	171,086	542,974

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

20	Comparative statement of financial activities			
	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2023 Total £
Income from				
Investments	719,869	-	-	719,869
Grants	-	39,684	-	39,684
Total Income	719,869	39,684	-	759,553
Expenditure on:				
Raising funds	-	-	82,718	82,718
Charitable activities	867,552	59,684	-	927,236
Total Expenditure	867,552	59,684	82,718	1,009,954
Net gains on investments	-	-	1,680,465	1,680,465
Net (loss)/income for the year	(147,683)	(20,000)	1,597,747	1,430,064
Transfers between funds	234,000	-	(234,000)	-
Net movement in funds	86,317	(20,000)	1,363,747	1,430,064

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED

England & Wales - Charity number 1002705

Accounts

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

CONTENTS

	Page
Legal and administrative information	1
Chairman's Report	2
Report of the Trustees	3
Independent auditors' report	12
Statement of financial activities	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees	Professor N Jackson, Chairman Ms J Baker Mr B Cussons Mr D Hobday Mr S Kollamthodi Mr P Maley
Director	Mr S Gooding CB
Registered office	Royal Automobile Club Foundation for Motoring Limited 89-91 Pall Mall London SW1Y 5HS
Company registration number	2596548
Charity number	1002705
Independent Auditors	Saffery LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	National Westminster Bank Plc 208 Piccadilly London W1A 2DG
Investment Advisors	Barnett Waddingham Cheapside House 138 Cheapside London EC2V 6BW
Investment Managers	Pictet Asset Management Moor House 120 London Wall London EC2Y 5ET Cazenove Capital 1 London Wall Place London EC2Y 5AU

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

CHAIRMAN'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

In some ways 2023 was a mixed year for the Royal Automobile Club Foundation For Motoring Limited (RAC Foundation). The team were busy throughout, maintaining a high quality output of research and analysis including, in particular, data-rich analysis to determine whether it will be necessary to reduce individual car mileage in order to meet the Climate Change Committee's sixth carbon budget trajectory for carbon emissions (signalling the huge scale of change needed to cut car tailpipe emissions by moving motoring away from petrol and diesel drivetrains).

But there were frustrations too, with the Government's decision to drop the proposed Modern Transport Bill, which had been expected to contain the powers needed to establish a Road Safety Investigation Branch, in favour of a much more targeted Bill solely focused on automated driving, and the continuing delay to implementation of the framework to regulate private parking, long advocated by the Foundation, under powers that received Royal Assent back in 2019 on the back of solid cross-party support in Parliament. The Foundation will continue to make the case for both initiatives, seeking opportunities to add to the evidence-base for change where possible.

The Foundation's collaborative work with the road safety analysts at Agilysys shone a spotlight on the real nature of rural road risk, work with Unison illustrated not just that the tax treatment of compensation for drivers using their own vehicles in the course of work had fallen behind the times but that those most likely to be out of pocket due to inflation in motoring costs were those key workers on relatively low pay and so least able to afford it. Other reports focused on young people's attitudes towards motoring and ways of tackling the barriers to securing greater benefits from our ever more 'connected' cars. And the Foundation maintained its data series, including fuel costs, local authority parking revenues, highway bridge condition, and added a new Green Fleet Index tracking the upward trend in motoring miles by electric, zero tailpipe emission, cars.

The Trustees were delighted to congratulate head of research Liz Box on being awarded her doctorate, the product of a great deal of hard work on her part, whilst noting the challenges the Foundation faces in attracting and retaining analytical talent with data science skills being in ever greater demand from employers.

The Foundation owes a great debt of gratitude to my fellow Trustees for their enthusiastic support and constructive challenge throughout the year, in particular to Ben Cussons, Jo Baker and Paul Maley for their work on the Investment Sub-Committee, ensuring that despite the turbulence of the investment market the Royal Automobile Club's generous endowment continues to generate the returns that fund the Foundation's activities.

I would also like to thank the members of our advisory Public Policy Committee, who not only bring their own knowledge and experience to the table but also provide the Foundation with access to a valuable broader network of contacts.

Looking at the many challenges ahead in maintaining personal mobility, supporting the economy, protecting the environment and promoting improved safety the Trustees' ambition is for the Foundation to continue to bring its informed, authoritative, and, above all, data-driven voice to the debate on motoring now and in the future.

Professor Neville Jackson
Chairman



22nd April 2024

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees (who are directors for the purposes of Company law) are pleased to present their annual Trustees' report together with the financial statements of the RAC Foundation for the year ended 31 December 2023. The legal and administrative information on page 1 forms part of this report.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS 102).

Objectives and activities

The objective of the Foundation is:

- to promote for the public benefit research into the environmental, economic, mobility and safety issues relating to the use of motor vehicles.

In practice this means the Foundation seeks to illuminate, inform and influence the debate about motoring, roads and road use, taking the perspective of the responsible motorist, with a particular focus on affordable, safe and sustainable mobility.

The Foundation's activities:

- Researching/analysing – the Foundation commissions and disseminates research and analysis from a variety of experts in the academic and consultancy worlds; the staff of the Foundation also conduct research and analysis directly. Material is published on the Foundation's website, sometimes alongside a limited run of hard copy documents, and disseminated through a variety of media. The annual research programme is reviewed by the Trustees for consistency with the Foundation's charitable purposes. In addition to disseminating the Foundation's own work, the Foundation also seeks to bring other relevant research material to the notice of those involved in the development of transport policy;
- Commenting/reacting – the Foundation seeks to engage with the issues of the day, insofar as they relate to motoring and road use, in particular drawing on the back catalogue of Foundation research and the expertise and knowledge of Foundation staff to offer an informed perspective. This involves briefing journalists and appearing in the media, including specialist journals, and through to giving evidence e.g. to parliamentary committees; and
- Engaging/debating – the Foundation seeks to make contact and engage with a wide range of organisations active in the development of transport policy and the delivery of transport services at a national and a local level, including the Department for Transport, the Treasury, the Department for the Environment, Farming and Rural Affairs, the Department for Levelling Up, Housing and Communities, and National Highways, with professional bodies and associations such as the Association of Directors of Economy, Environment, Planning and Transport and the Chartered Institute of Highways and Transport, and trade associations including the Society of Motor Manufacturers and Traders and the British Vehicle Rental and Leasing Association. Foundation staff are encouraged to accept invitations to present material at conferences and workshops, join stakeholder groups and sounding boards, and to host and facilitate workshops.

Our ambition is for the Foundation to explore, inform and promote policies that will get people and goods where they need to be, when they need to be there, in safety, affordably, with minimum environmental impact.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

In reviewing our objectives and research programme the Trustees confirm that they have regard to the Charity Commission's guidance on public benefit and consider each year how the Foundation meets its public benefit objectives.

Achievements and performance

The Foundation published a number of research reports in 2023. Amongst the most significant were the analysis on whether it would be necessary to reduce car mileage to meet national carbon emission goals as expressed by the Climate Change Committee¹, the answer being not absolutely necessary, however the analysis showed that staying within the carbon ceiling for car tailpipe emissions implicit in the 6th carbon budget to be incredibly hard without a dramatic swing away from petrol/diesel. This work suggests that the policy focus should be on the extent to which electric cars replace the driven miles that would otherwise be done by petrol/diesel models (not just on electric vehicle take-up). The report also noted that the average age of the vehicle parc was increasing, which would, unabated, keep more petrol/diesel cars in routine use for longer.

This analysis has been widely picked up in the debate about measures needed to ensure the transport contribution toward achieving net zero is met. Further, the Foundation launched a new Green Fleet Index² tracking progress and keeping the issue in view.

The Foundation also published work by Agilysis to explore a better way for categorising 'rural' roads – the present DfT statistical definition being essentially a catch-all for roads that could not be considered 'urban'. In 2021, there were 1,558 reported road deaths in Great Britain, 981 of them on so-called rural roads. However, 649 (66%) of the 981 rural road deaths occurred not on twisting country lanes but on motorways (86 deaths) and A roads (563 deaths). Hence the report is intended to lead to better informed road safety approaches based on a better understanding of road risk.

The Foundation's work with UNISON, on the compensation people get for driving their own vehicles in the course of work, was a new opportunity for joint activity drawing attention to the implications of motoring costs for key workers. While the tax-free amount drivers can receive for work-related motoring has not changed for more than a decade Office for National Statistics data suggests the cost of motoring had risen by 41% which Foundation analysis revealed would require a hike in entitlement from 45p to 63p per mile tax free compensation. The findings attracted considerable coverage and has become a campaign issue for the union, in particular for its legion of relatively low-paid key-worker members³.

The Foundation often seeks to build on previously commissioned research, an example being WhiteWillow consulting followed up its previous report on connected motoring with a close look at how to address the financial challenges of making a step-change in progress on the development and deployment of connected services – specifically the mis-matching of 'who benefits?' with 'who pays?'. Services that improve road safety or reduce emissions deliver a societal benefit hard to recoup from a direct charge to drivers, in the same way road signs are not directly funded by the people relying on them. Hence, not all services have a clear, commercial revenue stream. But the report makes clear that the solution isn't just about the traditional plea for ever-more funding – it is about the way funding could move away from a myriad of trials toward connected-vehicle data becoming a routine, integral part of improved highway management⁴, a message the Foundation will be continuing to pursue with policy makers and highway authorities.

¹ <https://www.racfoundation.org/research/environment/is-it-necessary-to-reduce-car-mileage-to-meet-our-carbon-emission-goals>

² <https://www.racfoundation.org/data/green-fleet-index>

³ <https://www.racfoundation.org/media-centre/drivers-out-of-pocket-for-using-their-own-cars-at-work>

⁴ <https://www.racfoundation.org/research/mobility/driven-by-information-revisited>

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Less welcome was the stalled progress on the creation of a road collision investigation branch, which was caught up with the slimming of the government's legislative programme after the resignation of three Prime Ministers in succession with only provisions relating to automated driving surviving the cut. It is to be hoped that space will be found in the legislative programme of the new government after the general election in 2024. Similarly, progress turned out to be achingly slow on the implementation of the private parking regulatory framework, where problems at the Department for Levelling Up, Housing and Communities led to delays dragging on into 2024 in getting the requisite consultation and regulatory impact assessment processes completed. The Foundation continues to press the case for progress through publication of data on the release of vehicle-keeper data to private parking companies.

On the staffing front the Trustees were delighted by the award of a doctorate to head of research Liz Box, whose PhD studies were sponsored by the Foundation, and published as a lighter version of her PhD thesis - *Empowering Young Drivers with Road Safety Education*⁵. Liz's report explains why road safety interventions should be based on research evidence and behavioural theory, dispelling the notion that 'shock and tell' tactics work with teenagers (and can be counterproductive, particularly amongst young men). Liz has subsequently presented her findings at conferences and has garnered considerable support for getting changes made to existing theatre-based events, in particular from the fire service.

The Foundation was sorry to see newly recruited analyst Jamil Nur depart after only five months but pleased that his move was prompted by successfully landing a role in his native Italy. Jamil made a positive contribution to the Foundation during his relatively brief tenure, in particular on the project to revisit previous Foundation work on the importance of driving as an employment qualification, and we wish him well in his future career.

The Foundation maintained the output of key data series, including the annual highway bridge condition survey, undertaken in partnership with the Association of Directors of Economy, Environment, Planning and Transport, fuel prices, local authority parking income, and the take-up of plug-in vehicles.

The Foundation team has been busy participating in an array of conferences, workshops and seminars around the country including, the Transport Technology Forum conferences (in Leeds and Birmingham), the National Highways Research & Innovation Advisory Board (Birmingham), Highways UK and Traffex/Parkex (both at the NEC), the Local Government Association annual conference (Bournemouth), the Automotive Fellowships International conference (Luton Hoo), as well as playing host to the annual Young Driver Focus conference at the Royal Automobile Club in Pall Mall, and the Motoring Debate, a panel discussion on the future role of the car promoted by the Rees Jeffreys Road Fund and the Royal Automobile Club. Participation in these events is valuable for spreading awareness of Foundation output, for staying abreast of the latest thinking and for making fresh connections, and in line with our public interest purpose to promote well-informed public policy development.

Our annual Winter Reception, which the Foundation has run jointly with RAC Motoring Services and the Royal Automobile Club for many years, was once again our opportunity to thank the many people the Foundation has worked with throughout the previous 12 months and this year to hear the emerging findings from some work the Foundation commissioned from Nottingham University about the challenges of the human-machine interface in a world of highly automated motoring, which will be published in 2024.

⁵ <https://www.racfoundation.org/research/safety/empowering-young-drivers-with-road-safety-education>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Future plans

The Foundation's working practices are kept under review – for the time being the team continues to work remotely with scheduled 'team days' in the office several days per month (rather than requiring individuals to attend in person for a set minimum number of days), a model that works well with the largely analytical nature of the Foundation's work. In 2024 the Foundation office in Pall Mall will relocate to new space on the ground floor of 83 Pall Mall, a downsize from its previous footprint, but still providing a useful permanent hub for the team. The Foundation will continue to invest in the professional development of the Foundation staff, in particular through various on-line training opportunities and attendance at conferences.

As in previous years, the Foundation will continue to seek out fresh data sets, opportunities for joint working with other organisations to reach a broader audience, including professional institutions, member organisations and the higher education sector, and the scope to make the most of its internal analytical capabilities. We expect no diminution of interest in motoring policy issues including carbon reduction, the promotion of improved air quality, the desire to improve road safety and, as the vehicle parc moves away from fossil fuels, debate about what, if anything, should take the place of fuel duty income for the Treasury, with considerable interest both in roads spending to maintain and improve the resilience of the network in the face of climate change, and the push-back against perceived 'anti-motoring' regulation which may prove to be a topic of political debate as the general election draws near.

2024 will be a year where the Foundation has a key role to play in building and improving awareness of the evidence base for informing motoring policy development as the political parties gear up for a general election in the Autumn.

2024 will see the publication of Foundation analysis on the importance of driving as an employment qualification, the adequacy of mobile signal coverage in a world of 'connected' motoring, and a look at the social and economic factors shaping the effectiveness of transport initiatives (in particular addressing car dependency) by comparing the UK experience with that in Germany. The Foundation also expects to build on the TRL project it funded jointly with the Rees Jeffreys Road Fund in 2023 that explored the social and economic consequences of progressive licensing as a way of helping young drivers develop their driving skills safely having passed their test. Young drivers are disproportionately likely to be involved in a crash, with pre-Covid data showing that almost a quarter (24%) of those killed or seriously injured on Britain's roads were in a collision involving a young driver (aged 17-24 years old) even though this age group makes up only about 7% of the total driving population and the Foundation's objective is to ensure that the evidence supporting a progressive licensing approach is widely promulgated and in the minds of policy-makers considering where next to go to make our roads safer.

Financial Review

The work of the Foundation is very largely funded from the return achieved on the investment of the original charitable endowment gifted by the Royal Automobile Club in 1998. This covers the salaries of the Foundation's permanent staff, accommodation and office expenses, and provides a core budget for commissioned research and publications.

The Foundation supplements this from time-to-time through joint working with other bodies and, specifically in 2023 was grateful for the FIA grant funding which supported the Imperial College research led by Seema Yalamanchili to explore the potential for joining up datasets across health and police sources to better understand and plan for road risk, see Restricted Income section, below.

The Foundation does not raise money from the public or from its Trustees.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

In the Statement of Financial Activities on page 16, income from half the investment portfolio is received in the form of dividends and interest was £719,869 (2022: £454,702). The rest of the investment portfolio is held in an accumulation fund where dividends etc. are reinvested. Cash withdrawn from this fund is realised through the disposal of units in the accumulation fund and is represented on the Statement of Financial Activities on page 16 as the transfer of £243,000 (2022: £486,000) from the Expendable endowment to the Unrestricted reserves.

The net gain/(loss) on investments in the year was £1,680,465 (2022: (£3,382,631)) contributing to a total net movement of funds in the year of £1,430,064 (2022: (£3,896,919))

Expendable endowment fund

This represents the original donation in 1998 at the time the Foundation was established in its current corporate form, as adjusted for subsequent movements in investment values, investment management costs and any expenditure of the endowment. The fund can be retained as capital or disbursed at the Trustees' discretion for any purpose within the Foundation's objects, and at year-end 2023 was valued at £29,985,630 (2022: £28,621,883), a gain/(loss) of £1,363,747 (2022: (£3,980,848)) over the year.

Taking one year with another, despite the ongoing turbulence in investment markets in 2023 relating to geo-political events in the Ukraine and Gaza and high inflation domestically, the Trustees are content that the value of the expendable endowment is being satisfactorily maintained so as to ensure the long-term viability of the Foundation without the need to seek further charitable donations.

Restricted income fund

This represents funds given for particular purposes within the Foundation's objects – specifically in 2023 the grant of €50,000.00 (£42,761.00) from the FIA which was transferred in full to Imperial College for completion of the Data Linkage in Road Safety project led by Seema Yalamanchili.

Unrestricted income fund

This represents accumulated unspent income and can be used at the Trustees' discretion for any purpose within the Foundation's objects and stands at £4,424,540 (2022: £4,338,223) at year end.

Reserves and Investment policy

The Trustees' policy is to maintain in the long term the real value of the expendable endowment fund and also to generate sufficient income to cover proposed (budgeted) expenditure in-year.

Following the market testing exercise conducted by the Investment Sub-Committee in 2022 the Trustees decided to transfer the Investec Wealth holding to the Cazenove Responsible Multi-Asset Fund, in order to meet their continued aim of spreading risk in an uncertain investment climate by investing with managers with different, complementary, investment strategies whilst securing a sufficient return to maintain the real value of the endowment and fund the Foundation's activities. The transfer was completed in 2023.

The Investment Sub-Committee monitored the fund managers' investment performance through the year, drawing on advice from Barnett Waddingham on their performance relative to the broader market, and reports at each full Trustee meeting on the current valuation and prospects for the future value of the endowment, and hence the affordability of the Foundation's budget.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees were on balance satisfied that the investment performance of the endowment was sufficient to support a sustained operating budget for the Foundation through the year and for the planned expenditure in 2024.

Rather than earmark a discrete reserve, the Trustees continue to take the view that short term risks to the Foundation budget can be managed by authorising an exceptional drawdown from the expendable endowment. The Foundation's investment managers and fund managers have previously confirmed that they regard this as a manageable approach, consistent with the Trustees' stated investment objectives.

Structure, governance and management

Governing document

The Royal Automobile Club Foundation for Motoring Limited is a company limited by guarantee, governed by its Memorandum and Articles of Association, incorporated 28 March 1991 as amended 30 March 1999, 31 July 2000 and 27 January 2005. It is registered as a charity with the Charity Commission.

Appointment of Trustees

The Articles of Association prescribe that there shall be a minimum of five Trustees. The Trustees are then collectively responsible for the appointment and reappointment of trustees. Up to four trustee positions may be filled by nominees of the Royal Automobile Club (2) and RAC Motoring Services (2), subject to the approval of the Trustees. The Trustees may nominate one of their number to serve as Chair. The Trustees meet three times a year (April, July and November). While the Articles of Association allow for decisions to be taken on the basis of a majority vote in a quorate meeting, in practice all Trustees' decisions have been unanimous.

With the approval of the Trustees, as cleared with the Charity Commission, the Chairman receives £30,000 fees per annum for advisory services.

The Foundation's pay policy for staff is approved as part of the annual budget setting process in November each year. The Trustees separately consider and decide the Director's remuneration and bonus entitlement.

The Investment Sub-Committee comprises Ben Cussons (Chair), Jo Baker and Paul Maley, with the Foundation's director as secretary, and is advised by Barnett Waddingham.

The Trustees are assisted in the discharge of their duties by a 'Public Policy Committee' (PPC) – an informal panel comprising individuals who the Trustees have invited in recognition of the perspectives and expertise they can offer on motoring and road policy. PPC members receive no remuneration. The PPC meets four times a year.

A system is in place to alert Trustees of the Foundation to their legal responsibilities and to ensure that they are eligible to act in such capacity. New Trustees are briefed on their roles as Trustees and asked to sign various proformas to draw their attention to their duty to comply with charity and company law and to act in the interests of the Foundation even when this may conflict with personal or other interests. Induction sessions are held to inform Trustees of the scope, objects and activities of the Foundation.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Office administration

The Foundation contracts with the Royal Automobile Club for the provision of office accommodation, IT support, payroll management and BACS. The Club also affords the Foundation the equivalent of corporate membership, through which the Foundation is able to book the Club's conference and catering facilities, which are then recharged at the Club's standard rates.

Risk Management

The Trustees reviewed the Foundation risk register routinely as part of the review of the Director's report which is updated and presented to each of the Trustee meetings through the year. The register highlights five key risks and associated mitigations: reputational risk (e.g. arising from challenge to the accuracy of Foundation output); staff turnover; financial viability; interruption of service (e.g. IT system failure); and relevance of Foundation output. The Trustees also keep under review whether additional risks merit inclusion in the review.

Through 2023 Trustees had particular regard to three risks - the resourcing risk (created by the departure of analyst Doreen Lam at the start of the year and subsequent departure of her replacement, Jamil Nur, in the Autumn); the reliance of the Foundation on IT support for extensive remote, largely home-based, working; and on the relevance of the Foundation's work in relation to the achievement of its charitable objectives. The Trustees concluded that all were being managed satisfactorily.

Related parties and co-operation with other organisations

The Foundation maintains a register of potential conflicts of interest of the Trustees. No funds were held by the Foundation as a custodian trustee on behalf of others.

The Foundation has worked in partnership with various other bodies to run events during the year, including the Rees Jeffreys Road Fund, the Royal Automobile Club and PA Consulting.

Despite the historical association between the Royal Automobile Club, the RAC Motoring Services Company and the Foundation – and the fact that the three seek to co-operate with each other (e.g. in sharing data and providing input to the Club's Motoring Committee) the Trustees do not consider either the Royal Automobile Club or the RAC Motoring Services business to constitute 'related parties' for accounting purposes.

Fundraising

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. The Charity does not actively raise funds or solicit donations directly from the general public. The Charity does not work directly with commercial sponsors in relation to fundraising. The Trustees are not aware of any complaints made in respect of fundraising during or subsequent to the period of this Report.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees' Responsibilities Statement

The Foundation Trustees (who are also the directors of the Royal Automobile Club Foundation for Motoring Limited for the purposes of company law) are responsible for preparing a Report of the Trustees and 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information of which the charitable company's auditor is unaware, and
- the Trustees have each taken all steps that they are obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Auditors

A resolution to reappoint Saffery LLP as auditors to the Foundation will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board of Trustees



**Neville Jackson
Chairman**

22nd April.....2024

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of Royal Automobile Club Foundation For Motoring Limited for the year ended 31 December 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 charitable company's state of affairs as at 31 December 2023 and of its 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 Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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.

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 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 to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees (who are also 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 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 charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with trustees and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Use of our report

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



Cara Turtington (Senior Statutory Auditor)
For and on behalf of Saffery LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 22 April 2024

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2023 Total £	2022 Total £
Income from						
Investments	2	719,869	-	-	719,869	454,702
Grants		-	39,684	-	39,684	26,970
Total Income		719,869	39,684	-	759,553	481,672
Expenditure on:						
Raising funds		-	-	82,718	82,718	130,217
Charitable activities	3	867,552	59,684	-	927,236	865,743
Total Expenditure		867,552	59,684	82,718	1,009,954	995,960
Net gain/(loss) on investments	8	-	-	1,680,465	1,680,465	(3,382,631)
Net (deficit)/ income for the year		(147,683)	(20,000)	1,597,747	1,430,064	(3,896,919)
Transfers between funds	11	234,000	-	(234,000)	-	-
Net movement in funds		86,317	(20,000)	1,363,747	1,430,064	(3,896,919)
Reconciliation of funds:						
Total funds brought forward		4,338,223	20,000	28,621,883	32,980,106	36,877,025
Total funds carried forward		4,424,540	-	29,985,630	34,410,170	32,980,106

The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources derive from continuing activities.

The notes on pages 19 to 30 form part of these financial statements.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

BALANCE SHEET 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed Assets			
Tangible fixed assets	7	-	-
Investments	8	34,469,500	32,742,757
		<u>34,469,500</u>	<u>32,742,757</u>
Current Assets			
Debtors	9	23,333	31,822
Cash at bank and in hand		175,550	590,667
		<u>198,883</u>	<u>622,489</u>
Creditors: Amounts falling due within one year	10	<u>(258,213)</u>	<u>(385,140)</u>
Net current assets		(59,330)	237,349
Net Assets		<u><u>34,410,170</u></u>	<u><u>32,980,106</u></u>
Funds			
Unrestricted funds	11	4,424,540	4,338,223
Restricted funds	12	-	20,000
Expendable endowment funds	13	29,985,630	28,621,883
		<u><u>34,410,170</u></u>	<u><u>32,980,106</u></u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 19 to 30 form part of these financial statements.

The financial statements were approved by the Trustees on *22nd April* 2024



.....
N Jackson
Chairman



.....
B Cussons
Trustee

Company Registration No. 2596548 (England and Wales)

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Net cash used in operating activities	17	(1,010,207)	(797,175)
<u>Cash flows from investing activities</u>			
Purchases of investments		(1,241,870)	(16,599,511)
Proceeds from disposal of investments		1,078,711	16,316,930
Investment income received		716,496	468,109
Withdrawal from endowment		234,000	468,000
Net cash from investing activities		787,337	653,528
Net (decrease)/increase in cash & cash equivalents		(222,870)	(143,647)
Cash and cash equivalents at the beginning of the year		594,758	738,405
Cash and cash equivalents at end of the year	17,18	371,888	594,758

The notes on pages 19 to 30 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. Accounting convention

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The Foundation's operational and functional currency is pounds sterling.

Based on the value of the expendable endowment funds, the Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern.

1.1. Income

Investment income is accounted for on a receivable basis.

Grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

1.2. Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of VAT which cannot be recovered. Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising investment income. Other direct, support and governance costs are allocated to charitable activities as they are incurred.

1.3. Tangible fixed assets and depreciation

Items purchased are capitalised when they cost over £1,000 and have ongoing value to the Foundation.

Depreciation is provided at the following rates to write off the cost of each asset over its expected useful life:

Office equipment - 3 to 10 years

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1.4. Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

1.5. Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.6. Funds

Expendable endowment fund (see note 13)

This represents the original donation in 1998 at the time the Foundation was set up, as adjusted for subsequent movements in investment values, investment management costs and any expenditure of the endowment. This fund can be retained as capital or used at the Trustees' discretion for any purpose within the Foundation's objects.

Unrestricted income fund

This represents accumulated unspent income and can be used at the Trustees' discretion for any purpose within the Foundation's objects.

Restricted income fund

This represents grant income received for specific projects.

1.7. Pensions

Retirement benefits to employees are funded by contributions from both the Foundation and employees, administered through the Royal Automobile Club pension scheme; a multi-employer scheme. Contributions to the scheme are on a defined contribution basis, and are charged to the Statement of Financial Activities in the year in which they are incurred.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1.8. Financial instruments

The Foundation has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost. For debt instruments this is calculated using the effective interest rate method.

1.9. Critical estimate and judgements and key sources of estimation uncertainty

In the application of the Foundation's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The Trustees consider that there are no areas of estimation uncertainty, and no critical estimates were required to prepare the financial statements.

2	Investment income	2023 £	2022 £
	Dividends and interest receivable on fixed asset investments	716,496	453,891
	Bank interest receivable	3,373	811
		<u>719,869</u>	<u>454,702</u>

3.	Charitable activities	2023 £	2022 £
	Staff Costs	550,958	535,182
	Direct Costs	130,723	61,697
	Support Costs	235,880	259,564
	Governance costs (note 4)	9,675	9,300
		<u>927,236</u>	<u>865,743</u>

4.	Governance costs	2023 £	2022 £
	Audit fees	9,675	9,300
		<u>9,675</u>	<u>9,300</u>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Staff costs and advisor fees	2023	2022
	£	£
Wages and salaries	475,391	457,471
Social security costs	49,752	52,163
Employer's pension costs	25,815	25,548
	<u>550,958</u>	<u>535,182</u>
Number of employees with total remuneration between:	2023	2022
	Number	Number
£60,000 - £69,999	1	-
£70,000 - £79,999	1	-
£80,000 - £89,999	-	2
£170,000 - £179,999	-	1
£190,000-£199,999	<u>1</u>	<u>-</u>

Contributions of £22,189 (2022: £16,324) were made to the group personal pension scheme on behalf of the highest paid employees.

The following trustees have been paid these amounts in respect of specialist advisor fees:

	2023	2022
	£	£
Neville Jackson	30,000	30,000

At 31 December 2023 there were no amounts owing in respect of the above adviser's fees (2022: no amounts owed to Neville Jackson).

No expenses were either reimbursed to or paid directly on behalf of Trustees during the year (2022: no expenses).

The key management personnel of the Foundation comprise the Trustees and the Director. The total cost to the Charity of the key management personnel, including any relevant pension contributions, but excluding payments made to specialist advisors noted above, were £220,063 (2022: £200,613).

Staff numbers

The average number of employees during the year was made up as follows:

	2023	2022
	Number	Number
Director	1	1
Campaigns and research	6	6
	<u>7</u>	<u>7</u>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. Net movement in funds for the year	2023	2022
	£	£
This is stated after charging:		
Depreciation	-	-
Auditors' remuneration - for audit	9,675	9,300
Auditors' remuneration - for other services	4,270	4,100
7. Tangible fixed assets		Office equipment £
Cost		
At 1 January and 31 December 2023		33,698
Depreciation		
Brought forward 1 January 2023		33,698
Charge for year		-
Carried forward 31 December 2023		33,698
Net book value		
as at 31 December 2023		-
as at 31 December 2022		-

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Investments	2023	2022
	£	£
Managed and unitised funds		
Market value at 1 January	32,738,666	36,391,899
Additions at cost	1,241,870	16,599,511
Disposals	(1,078,711)	(16,316,930)
Investment (loss)/gains	1,680,465	(3,382,631)
Withdrawal from endowment portfolio	(234,000)	(468,000)
Investment managers fees	(75,128)	(85,183)
Market value at 31 December	34,273,162	32,738,666
Investment cash	196,338	4,091
Total Investments as at 31 December	34,469,500	32,742,757
Historical cost	32,166,197	31,626,541

All investments are carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value, using the bid price.

	2023		2022	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Multi-asset funds	17,134,423	17,349,574	15,901,331	15,658,976
Property	-	-	1,112,198	1,104,207
Alternatives	14,835,437	16,923,588	14,608,921	15,975,483
Cash	196,338	196,338	4,091	4,091
Total	32,166,197	34,469,500	31,626,541	32,742,757

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

9. Debtors

	2023	2022
	£	£
Interest and dividends receivable	-	-
Prepayments	23,333	31,822
	<u>23,333</u>	<u>31,822</u>

10. Creditors

	2023	2022
	£	£
Accruals and other creditors	258,213	385,140
	<u>258,213</u>	<u>385,140</u>

11. Unrestricted Funds

	2023 Opening £	2023 Income £	2023 Expenditure £	2023 Transfer £	2023 Closing £
Unrestricted Funds	<u>4,338,223</u>	<u>719,869</u>	<u>(867,552)</u>	<u>234,000</u>	<u>4,424,540</u>
	2022 Opening £	2022 Income £	2022 Expenditure £	2022 Transfer £	2022 Closing £
Unrestricted Funds	<u>4,190,147</u>	<u>454,702</u>	<u>(810,646)</u>	<u>504,020</u>	<u>4,338,223</u>

The transfers into the unrestricted funds represent two specific transactions:

- £234,000 (2022: £468,000) from the expendable endowment funds represents monies drawn down from an accumulating investment fund held as part of the Foundation's investment portfolio.
- In 2022, there was another transfer of £36,020 from the restricted fund which represented restricted spend from the period from 2019-2021 which was incorrectly captured as unrestricted expenditure in the financial statements in these periods. The transfer from restricted funds reimbursed the unrestricted funds and correctly brought the balance of restricted funds for the road collision fund to £nil as at 31 December 2022 in line with the accounting returned to the funders.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12. Restricted Funds					
	2023 Opening £	2023 Income £	2023 Expenditure £	2023 Transfer £	2023 Closing £
Fédération Internationale de l'Automobile Road Safety Investigation Branch	-	42,761	(42,761)	-	-
	20,000	(3,077)	(16,923)	-	-
	<u>20,000</u>	<u>39,684</u>	<u>(59,684)</u>	<u>-</u>	<u>-</u>
	2022 Opening £	2022 Income £	2022 Expenditure £	2022 Transfer £	2022 Closing £
Road Collision fund	84,147	6,970	(55,097)	(36,020)	-
Road Safety Investigation Branch	-	20,000	-	-	20,000
	<u>84,147</u>	<u>26,970</u>	<u>(55,097)</u>	<u>(36,020)</u>	<u>20,000</u>

The Road Collision fund represents money received to explore the business case for improving the investigation of road crashes, in particular working with volunteer police forces to revisit the material available in police records. This project was completed in 2022.

The Road Safety Investigation Branch fund is for the Foundation to provide support and input to the work involved in creating a Road Safety Investigation Branch of the Department of Transport, specifically advising on the data, staff capabilities and prioritisation approaches that the new body is likely to require to fulfil its proposed statutory functions. During the year £3,077 representing the total of unspent funds was refunded back to the Department of Transport

The Fédération Internationale de l'Automobile (FIA) Fund represents money received from the FIA in order to support a project led by the Imperial College to explore the extend to which non-traditional sources could be used to map actual and high-risk road crash locations accurately and devise improved strategies for responding to them.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Expendable Endowment Funds

2023 Opening £	2023 Expenditure £	2023 Gains £	2023 Transfer £	2023 Closing £
<u>28,621,883</u>	<u>(82,718)</u>	<u>1,680,465</u>	<u>(234,000)</u>	<u>29,985,630</u>
2022 Opening £	2022 Expenditure £	2022 Gains £	2022 Transfer £	2022 Closing £
<u>32,602,731</u>	<u>(130,217)</u>	<u>(3,382,631)</u>	<u>(468,000)</u>	<u>28,621,883</u>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14.	Analysis of net assets between funds				
	2023	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
		£	£	£	£
	Tangible fixed assets	-	-	-	-
	Investments	-	-	34,469,500	34,469,500
	Current assets	4,682,753	-	(4,483,870)	198,883
	Liabilities	(258,213)	-	-	(258,213)
	Balance at 31 December 2023	4,424,540	-	29,985,630	34,410,170

	Analysis of net assets between funds				
	2022	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
		£	£	£	£
	Tangible fixed assets	-	-	-	-
	Investments	-	-	32,742,757	32,742,757
	Current assets	4,723,363	20,000	(4,120,874)	622,489
	Liabilities	(385,140)	-	-	(385,140)
	Balance at 31 December 2022	4,338,223	20,000	28,621,883	32,980,106

15. Related parties

There were no related party transactions except those transactions with the Trustees in note 5 above.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

16. Limitation of liability

Every member (being the Trustees of the Foundation) guarantees £1 in the event of the Foundation being wound up while they are a member and for the year after they cease to be a member.

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

	2023 £	2022 £
Net movement in funds	1,430,064	(3,896,919)
Add back depreciation charge	-	-
Add back investment manager fee	75,128	85,183
Deduct investment income	(716,496)	(468,109)
Loss/(gain) on investments	(1,680,465)	3,382,631
Decrease/(increase) in debtors	8,489	3,272
Increase/(decrease) in creditors	(126,927)	96,797
Net cash used in operating activities	<u>(1,010,207)</u>	<u>(797,175)</u>

18. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	175,550	590,667
Cash with investment manager	<u>196,338</u>	<u>4,091</u>
	<u>371,888</u>	<u>594,758</u>

19. Analysis of changes in net debt

	At 1 January 2023 £	Cashflows £	At 31 December 2023 £
Cash at bank and in hand	590,667	(415,117)	175,550
Cash with investment manager	4,091	192,247	196,338
	<u>594,758</u>	<u>(222,870)</u>	<u>371,888</u>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

20. Comparative statement of financial activities

	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2022 Total £
Income from				
Investments	454,702	-	-	454,702
Grants	-	26,970	-	26,970
Total Income	454,702	26,970	-	481,672
Expenditure on:				
Raising funds	-	-	130,217	130,217
Charitable activities	810,646	55,097	-	865,743
Total Expenditure	810,646	55,097	130,217	995,960
Net gains on investments	-	-	(3,382,631)	(3,382,631)
Net (loss)/income for the year	(355,944)	(28,127)	(3,512,848)	(3,896,919)
Transfers between funds	504,020	(36,020)	(468,000)	-
Net movement in funds	148,076	(64,147)	(3,980,848)	(3,896,919)

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED

England & Wales - Charity number 1002705

Accounts

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

CONTENTS

	Page
Legal and administrative information	1
Chairman's Report	2
Report of the Trustees	4
Independent auditors' report	13
Statement of financial activities	17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees	Professor N Jackson, Chairman Ms J Baker Mr B Cussons Mr D Hobday Mr S Kollamthodi Mr P Maley
Director	Mr S Gooding CB
Registered office	Royal Automobile Club Foundation for Motoring Limited 89-91 Pall Mall London SW1Y 5HS
Company registration number	2596548
Charity number	1002705
Independent Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	National Westminster Bank Plc 208 Piccadilly London W1A 2DG
Investment Advisors	Barnett Waddingham Cheapside House 138 Cheapside London EC2V 6BW
Investment Managers	Investec Wealth & Investment 2 Gresham Street London EC2V 7QP Pictet Asset Management Moor House 120 London Wall London EC2Y 5ET Cazenove Capital 1 London Wall Place London EC2Y 5AU

**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

As we emerged from the covid-related challenges of 2021 various factors well outside the Foundation's control impacted on our activities in 2022, including the global ramifications of the war in the Ukraine, the domestic impact on the political environment of the Prime Minister's resignation in the Summer, and industrial action on the railway which led to various events having to be rescheduled. Nevertheless, the Foundation team has been as busy as ever, with a number of significant initiatives to report, two in particular warranting mention here.

First, the team completed one of the largest and most significant projects in the Foundation's history exploring the case for creating an accident investigation branch for roads. With the benefit of substantial funding from the Department for Transport and Highways England (now National Highways) this four-year project comprised a detailed examination revealing the positive business case for augmenting existing collision investigation processes with a unit whose role would be to take a fresh, heavily data-driven approach. We were delighted that our publication of these findings in the project's final report in June came alongside a Government commitment to create a new Road Safety Investigation Branch, following which the Foundation team has continued to support the DfT on implementation.

Second, one of the biggest policy challenges we face as a nation, on transport policy and beyond, is that of decarbonisation. The Government's Transport Decarbonisation Plan sets out a wide range of measures aimed at cutting the carbon footprint across all the various modes of transport, which for road transport includes the headline policy to end the sale of new, purely fossil-fuelled cars and vans in 2030, but below the headlines much detail remains to be worked-through, not least about the carbon-reduction trajectory motoring needs to achieve in order to play its part in the overall picture. To that end 2022 saw the Foundation start work on a major piece of analysis to assess the possible trajectories that the decarbonisation of motoring might take against that implicit in the Climate Change Committee's projections, and, in particular, to identify the factors likely to have the greatest impact on success.

While the report on the conclusions from this analysis was not published until 2023, the rationale for inclusion here is to highlight the way the Foundation conducted the work, openly, through an extensive series of discussions with key stakeholders, to test and repeatedly refine the base numbers and the plausibility of the assumptions needed to inform the modelling. I believe this open-book, no-surprises approach sets a welcome precedent for future Foundation analytical projects.

Alongside the bigger projects the Foundation continued its mission to inform the debate about motoring with data on fuel prices, road condition, parking management, and motoring taxes, through presentations at conferences and workshops, evidence submitted to Parliamentary Committees and through participation in working groups and project boards. On the staffing front we were pleased to welcome Dr Tim Chatterton to the team and I am also pleased to congratulate the Director on becoming a visiting professor at the University of the West of England's Transport and Society unit, which reflects well on him and on the Foundation.

The Foundation owes a huge debt of gratitude to my fellow Trustees for their active engagement and encouragement throughout the year. I am particularly grateful to Ben Cussons, Jo Baker and Peter Read for their work on our Investment Sub-Committee, tasked with ensuring that despite the economic uncertainties of the year gone by the Royal Automobile Club's generous endowment continues to generate the returns that fund the Foundation's activities, with particular thanks to Peter who stood down as a Trustee in 2022 and a warm welcome to Paul Maley who joined us as a Trustee in the Autumn. I would also like to thank the members of our advisory Public Policy Committee, who not only bring their own knowledge and experience to the table but also provide access to a valuable network of contacts.

CHAIRMAN'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

As 2023 gets underway the policy environment for motoring continues to pose many challenges, including the pressing needs to cut vehicle emissions, improve safety, and manage through difficult economic circumstances, and I look forward to the Foundation continuing to play its part, working collaboratively and continuing to be an informed and constructive participant in the debate.

Professor Neville Jackson
Chairman

A handwritten signature in black ink, appearing to read 'N. Jackson', written over a light blue horizontal line.

2nd June 2023

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Trustees (who are directors for the purposes of Company law) are pleased to present their annual Trustees' report together with the financial statements of the RAC Foundation for the year ended 31 December 2022. The legal and administrative information on page 1 forms part of this report.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS 102).

Objectives and activities

The objective of the Foundation is:

- to promote for the public benefit research into the environmental, economic, mobility and safety issues relating to the use of motor vehicles.

In practice this means the Foundation seeks to illuminate, inform and influence the debate about roads and road use, taking the perspective of the responsible motorist, with a particular focus on affordable, safe and sustainable mobility.

The Foundation's activities:

- Researching/analysing – the Foundation commissions and disseminates research and analysis from a variety of experts in the academic and consultancy worlds; the staff of the Foundation also conduct research and analysis directly. Material is published on the Foundation's website, sometimes alongside a limited run of hard-copy documents, and disseminated through a variety of media. The annual research programme is reviewed by the Trustees for consistency with the Foundation's charitable purposes. In addition to disseminating the Foundation's own work, the Foundation also seeks to bring other relevant research material to the notice of those involved in the development of transport policy;
- Commenting/reacting – the Foundation seeks to engage with the issues of the day, insofar as they relate to motoring and road use, in particular drawing on the back catalogue of Foundation research and the expertise and knowledge of Foundation staff to offer an informed perspective. This involves briefing journalists and appearing in the media, including specialist journals, and through to giving evidence e.g. to parliamentary committees; and
- Engaging/debating – the Foundation seeks to make contact and engage with a wide range of organisations active in the development of transport policy and the delivery of transport services at a national and a local level, including the Department for Transport, the Treasury, the Department for the Environment, Farming and Rural Affairs, the Department for Levelling Up, Housing and Communities, and National Highways, with professional bodies and associations such as the Association of Directors of Economy, Environment, Planning and Transport and the Chartered Institute of Highways and Transport, and trade associations including the Society of Motor Manufacturers and Traders and the British Vehicle Rental and Leasing Association. Foundation staff are encouraged to accept invitations to present material at conferences and workshops, join stakeholder groups and sounding boards, and to host and facilitate workshops.

Our ambition is for the Foundation to explore, inform and promote policies that will get people and goods where they need to be, when they need to be there, in safety, affordably, with minimum environmental impact.

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

In reviewing our objectives and research programme the Trustees confirm that they have regard to the Charity Commission's guidance on public benefit and consider each year how the Foundation meets its public benefit objectives.

Achievements and performance

The big news for the Foundation in 2022, and hard evidence of the Foundation's activity having impact for the public benefit, was the Government's announcement of its intention to create an accident investigation branch for roads – to be called the Road Safety Investigation Branch - which was made alongside the publication of our report documenting our Road Collision Investigation Project¹ findings. This result doesn't just represent the product of our four-year project – important as that has been in setting out the business case for action - the Foundation's interest in the subject can be tracked back to an earlier report of 2009² reflecting the fact that sustained interest in an issue is sometimes needed to secure the right result. The Foundation's offer to continue helping DfT with the work to set up the new branch was well received and has resulted in an agreement for the DfT to fund a day a week of Research Director Liz Box's time to work on implementation.

On the staffing front we were pleased to welcome Dr Tim Chatterton as a new recruit to the Foundation analytical team in July. Tim joins us with a considerable background in research and data analytics, and with a particular interest in air quality and environmental issues. We also said a fond farewell to Peter Read as one of the Club-nominated trustees and welcomed Paul Maley, a member of the Club's Motoring Committee with a keen interest in motoring issues.

The Foundation maintained the output of key data series, including the annual highway bridge condition survey, undertaken in partnership with the Association of Directors of Economy, Environment, Planning and Transport, fuel prices, local authority parking income, the take-up of plug-in vehicles and the roll-out of local authority clean air zones.

As covid restrictions eased and the 'in-person' world continued to re-emerge so the Foundation team were busy participating in an array of conferences, workshops and seminars including, to give a flavour of the variety, the TRL Kerbside Management taskforce, the ITT Hub (at Farnborough), the Transport Technology Forum annual conference (in Liverpool), the National Highways Research & Innovation Advisory Panel (hosted at the Insurance Industry's Thatcham research centre), Traffex/Parkex (at the NEC), the REASON (road safety for autonomy) forum (in Oxford), the PACTS Road User Behaviour Working Party (in London), the Sub-National Transport Bodies Conference (Birmingham), the Automotive Fellowships International conference (Luton Hoo), the Road Transport Expo (near Coventry) and MOVE at the Excel centre as well as playing host to Young Driver Focus at the Royal Automobile Club in Pall Mall. Participation in these events is valuable for spreading awareness of Foundation output, for staying abreast of the latest thinking and for making fresh connections, and in line with our public interest purpose to promote well-informed public policy development.

Unfortunately not all planned in-person events went ahead, with the Foundation's annual 'Data, driven' conference having to be postponed due to industrial action by rail staff. Happily, though, we were able to co-host our annual Winter Reception, which we have run jointly with RAC Motoring Services and the Royal Automobile Club for many years. This is our opportunity to thank the many people we have worked with throughout the previous 12 months and this year to hear the emerging findings from some work the Foundation commissioned from IPSOS MORI about young people's attitudes towards motoring which will be published in 2023.

¹ <https://www.racfoundation.org/collaborations/road-collision-investigation-project>

² <https://www.racfoundation.org/wp-content/uploads/transport-safety-elliott-050509-report.pdf>

REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

In addition to set-piece conferences, members of the Foundation team are often invited to join working groups and standing committees, which in 2022 included the Electric Vehicle Energy Task Force, the Transport Technology Forum, DfT's Road Safety Programme Board, the Road Safety Trust's Road Safety Champions meetings and the Centre for Connected and Autonomous Vehicles' AV-Drive Working Group.

January saw the publication of a Foundation technical note³ – a predominantly analytical report – looking at the likely rate at which the Treasury's fuel duty income from fossil-fuelled cars would fall away as the move toward zero-tailpipe emissions picks up. The note, largely the work of Foundation analyst Doreen Lam, suggested that the Chancellor could face losing almost a third of the revenue he gets from fuel duty from cars before the end of the decade because of the move to green motoring, but that this problem might near-term be cushioned by the collapse in the sale of new diesel cars and the resulting temporary rise in the revenue received from petrol cars. This trajectory matters because it is a material factor in determining when Treasury ministers will need to decide what to do if they are determined to bolster their income from motoring - the answer being quite uncomfortably soon – as the Foundation Director explained in evidence to the Transport Select Committee.

Back in February we welcomed the publication by the Department for Levelling Up, Housing and Communities of a new, single Code of Practice for the management of private parking, an issue that the Foundation has been pursuing for some years. The Foundation had considerable input to the coverage of the proposed Code and so we were disappointed when legal challenges to proposed caps on the level of parking charges and on the charging of an administration fee for cases transferred to debt management agencies led the Department to withdraw the Code in June pending further work to analyse the regulatory impact of the proposed package on the private parking sector. This work was still in progress at the end of 2022, but we hope to see substantial progress to put a much-needed regulatory framework in place during 2023.

It was also disappointing that the Aston University project we had jointly funded with the Rees Jeffreys Road Fund to explore the neurological factors impacting the capability and safety of older drivers continued to be dogged with problems – covid restrictions having delayed the planned trials and subsequently many of their volunteers have not got on well in the virtual environment resulting in a much reduced output from that originally envisaged.

On a more positive note, another project the Foundation funded jointly with the Rees Jeffreys Road Fund saw the TRL exploring the social and economic consequences of progressive licensing as a way of helping young drivers develop their driving skills safely having passed their test. Young drivers are disproportionately likely to be involved in a crash, with pre-Covid data showing that almost a quarter (24%) of those killed or seriously injured on Britain's roads were in a collision involving a young driver (aged 17-24 years old) even though this age group makes up only about 7% of the total driving population. Drawing on international evidence the report, Supporting New Drivers in Great Britain⁴, showed that a 'graduated' approach, with appropriate exemptions and allowances, could give young drivers the most valuable mobility benefits they sought whilst reducing collisions and trauma from collisions involving young drivers by some 20-40% - valuable evidence for policy-makers considering where next to go to make our roads safer.

And to close on a lighter note, to illustrate the real-world implications of the skyrocketing costs of petrol and diesel fuel in the Summer, and to coincide with the start of the new Premier League season the Foundation published in-house analysis of how fuel prices were limiting the horizons of football fans by increasing the cost

³ <https://www.racfoundation.org/research/economy/fuel-duty-decline-a-technical-note>

⁴ <https://www.racfoundation.org/research/safety/supporting-new-drivers-in-great-britain>

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

of driving to away matches. The issue for many households being not only about the effect of soaring fuel prices on the journeys they have to make also on those trips people want to make that are also being curtailed because of cost.

Future plans

The Foundation's working practices were changed to accommodate the restrictions resulting from the covid pandemic, with the team predominantly working remotely. This model continued through 2022 and looks set to be the model henceforward - much of the Foundation's in-house activity can be undertaken on-line, and while face-to-face meetings have re-started many meetings are now routinely held on-line. Consequently the Foundation is reviewing the implications for its London office space and in 2023 is looking to take advantage of the remodelling and refurbishment of 83 Pall Mall to downsize its footprint and so reduce its rent and service charges, subject to agreement with the Royal Automobile Club as its landlord. The Foundation will continue to invest in the professional development of the Foundation staff, in particular through various on-line training opportunities and conferences.

As in previous years, the Foundation will continue to seek out fresh data sets, opportunities for joint working with other organisations to reach a broader audience, including professional institutions, member organisations and the higher education sector, and the scope to make the most of its internal analytical capabilities. Similarly we expect no let-up in interest in issues such as carbon reduction, the promotion of improved air quality, the desire to improve road safety and, as the vehicle parc moves away from fossil fuels, debate about what, if anything, should take the place of fuel duty income for the Treasury, with potentially growing interest in roads spending as a result of challenging economic circumstances and construction cost inflation.

2023 will see the publication of the Foundation's analysis of the carbon-reduction trajectory needed from car traffic and the development of a 'Green Fleet Index' to track progress, which we expect to follow through with further analysis, alongside work looking at young people's attitudes toward motoring, driver distraction (in particular in the context of highly but not fully automated vehicles), and the potential for connected vehicle services. We also hope to be involved in making significant progress on the plans to establish a Road Safety Investigation Branch, and on the implementation of a regulatory framework for private parking management.

Financial Review

The work of the Foundation is very largely funded from the return achieved on the investment of the original charitable endowment gifted by the Royal Automobile Club in 1998. This covers the salaries of the Foundation's permanent staff, accommodation and office expenses, and provides a core budget for commissioned research and publications. The Foundation supplements this from time-to-time through joint working with other bodies and, specifically for the Road Collision Investigation Project, with grants from the Department for Transport (2018) and National Highways (2020 and 2021).

The Foundation does not raise money from the public or from its Trustees.

In the Statement of Financial Activities on page 17, income from half the investment portfolio is received in the form of dividends and interest (£454,702). The rest of the investment portfolio is held in an accumulation fund where dividends etc. are reinvested. Cash withdrawn from this fund is realised through the disposal of units in the accumulation fund and is represented on the Statement of Financial Activities on page 17 as the transfer of £486,000 from the Expendable endowment to the Unrestricted reserves.

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

The net loss on investments in the year was £3,382,631 contributing to a total net deficit movement in funds in the year of £3,896,919.

Expendable endowment fund

This represents the original donation in 1998 at the time the Foundation was established in its current corporate form, as adjusted for subsequent movements in investment values, investment management costs and any expenditure of the endowment. The fund can be retained as capital or disbursed at the Trustees' discretion for any purpose within the Foundation's objects, and at year-end 2022 was valued at £28,621,883, a deficit of £3,980,848 over the year.

Taking one year with another, despite the ongoing turbulence in investment markets in 2022 and some continued uncertainty looking ahead, the Trustees are nevertheless content that the value of the expendable endowment is being satisfactorily maintained so as to ensure the long-term viability of the Foundation without the need to seek further charitable donations.

Restricted income fund

This represents funds given for particular purposes within the Foundation's objects and stands at £20,000 (2021: £84,147) at the year end.

This balance represents funds given for particular purposes within the Foundation's objects – specifically the grants of £480,000 from the DfT and £300,000 from Highways England to fund the Road Collision Investigation Project. That project having concluded in 2022 the Foundation returned balances to the DfT and Highways England. The DfT subsequently awarded a grant of £20,000 in respect of the time Liz Box was planning to spend working on the establishment of the Road Safety Investigation Branch (equating roughly to one day per working week for one full year).

Unrestricted income fund

This represents accumulated unspent income and can be used at the Trustees' discretion for any purpose within the Foundation's objects and stands at £4,338,223 at year end.

Reserves and Investment policy

The Trustees' policy is to maintain in the long term the real value of the expendable endowment fund and also to generate sufficient income to cover proposed (budgeted) expenditure in-year.

Following the decision in 2017 to re-invest the expendable endowment equally between two new investment managers - Pictet and Investec Wealth – the Investment Sub-Committee conducted a market testing exercise in 2022 as a result of which the Trustees decided to transfer the Investec holding to the Cazenove Responsible Multi-Asset Fund, with the continued aim of spreading risk in an uncertain investment climate by investing with managers with different, complementary, investment strategies, but also attracted by the fact that the Cazenove fund is designed specifically to cater for charities seeking sustainable long term returns with particular regard to the integration of environmental, social and governance considerations. The transfer, with some holdings having to be sold for the cash to be re-invested, was largely but not wholly completed by the end of 2022.

The Investment Sub-Committee monitored the fund managers' investment performance through the year, drawing on advice from Barnett Waddingham on their performance relative to the broader market, and reports

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

to the full Trustee meeting on the current valuation and prospects for the future value of the endowment, and hence the affordability of the Foundation's budget, at the regular Trustee meetings.

The Trustees were on balance satisfied that the investment performance of the endowment was sufficient to support a sustained operating budget for the Foundation through the year and for the planned expenditure in 2023.

Rather than earmark a discrete reserve, the Trustees continue to take the view that short term risks to the Foundation budget can be managed by authorising an exceptional drawdown from the expendable endowment. The Foundation's investment managers and fund managers have previously confirmed that they regard this as a manageable approach, consistent with the Trustees' stated investment objectives.

Structure, governance and management

Governing document

The Royal Automobile Club Foundation for Motoring Limited is a company limited by guarantee, governed by its Memorandum and Articles of Association, incorporated 28 March 1991 as amended 30 March 1999, 31 July 2000 and 27 January 2005. It is registered as a charity with the Charity Commission.

Appointment of Trustees

The Articles of Association prescribe that there shall be a minimum of five Trustees. The Trustees are then collectively responsible for the appointment and reappointment of trustees. Up to four trustee positions may be filled by nominees of the Royal Automobile Club (2) and RAC Motoring Services (2), subject to the approval of the Trustees. The Trustees may nominate one of their number to serve as Chair. The Trustees meet three times a year (April, July and November). While the Articles of Association allow for decisions to be taken on the basis of a majority vote in a quorate meeting, in practice all Trustees' decisions have been unanimous.

During 2022 there were changes to the Trustee Board. Peter Read stood down as a Trustee on 28 November 2022. Paul Maley was appointed on 28 November 2022.

With the approval of the Trustees, as cleared with the Charity Commission, the Chairman receives £30,000 fees per annum for advisory services.

The Foundation's pay policy for staff is approved as part of the annual budget setting process in November each year. The Trustees separately consider and decide the Director's remuneration and bonus entitlement.

The Investment Sub-Committee comprises Ben Cussons (Chair), Jo Baker and one other Trustee (Peter Read and subsequently Paul Maley), with the Foundation's director as secretary, and is advised by Barnett Waddingham.

The Trustees are assisted in the discharge of their duties by a 'Public Policy Committee' (PPC) – comprising the Trustees and members who the Trustees have appointed in recognition of the perspectives and expertise they can offer on motoring and road policy. PPC members receive no remuneration. The PPC meets four times a year.

A system is in place to alert Trustees of the Foundation to their legal responsibilities and to ensure that they are eligible to act in such capacity. New Trustees are briefed on their roles as Trustees and asked to sign various proformas to draw their attention to their duty to comply with charity and company law and to act in the

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

interests of the Foundation even when this may conflict with personal or other interests. Induction sessions are held to inform Trustees of the scope, objects and activities of the Foundation.

Office administration

The Foundation contracts with the Royal Automobile Club for the provision of office accommodation, IT support, payroll management and BACS. The Club also affords the Foundation the equivalent of corporate membership, through which the Foundation is able to book the Club's conference and catering facilities, which are then recharged at the Club's standard rates.

Risk Management

The Trustees reviewed the Foundation risk register routinely as part of the review of the Director's report which is updated and presented to each of the Trustee meetings through the year. The register highlights five key risks and associated mitigations: reputational risk (e.g. arising from challenge to the accuracy of Foundation output); staff turnover; financial viability; interruption of service (e.g. IT system failure); and relevance of Foundation output. The Trustees also keep under review whether additional risks merit inclusion in the review.

Through 2022 the resourcing risk created by the departure of an analyst in 2021 and the failure of the resulting recruitment exercise was resolved with the successful appointment of a successor, Dr Tim Chatterton, in the Summer. Looking ahead, recruitment and business continuity risk continue to loom largest with the departure of analyst Doreen Lam at the start of 2023 (a recruitment exercise is underway at the time of writing), and the reliance of the Foundation on IT support for extensive remote, largely home-based, working.

Related parties and co-operation with other organisations

The Foundation maintains a register of potential conflicts of interest of the Trustees. No funds were held by the Foundation as a custodian trustee on behalf of others.

The Foundation has worked in partnership with various other bodies to run events during the year, including Highways UK and PA Consulting.

Despite the historical association between the Royal Automobile Club, the RAC Motoring Services Company and the Foundation – and the fact that the three seek to co-operate with each other (e.g. in sharing data and providing input to the Club's Motoring Committee) the Trustees do not consider either the Royal Automobile Club or the RAC Motoring Services business to constitute 'related parties' for accounting purposes.

Fundraising

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. The Charity does not actively raise funds or solicit donations directly from the general public. The Charity does not work directly with commercial sponsors in relation to fundraising. The Trustees are not aware of any complaints made in respect of fundraising during or subsequent to the period of this Report.

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Trustees' Responsibilities Statement

The Foundation Trustees (who are also the directors of the Royal Automobile Club Foundation for Motoring Limited for the purposes of company law) are responsible for preparing a Report of the Trustees and 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 which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

- there is no relevant information of which the charitable company's auditor is unaware, and
- the Trustees have each taken all steps that they are obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Auditors

A resolution to reappoint Saffery Champness LLP as auditors to the Foundation will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board of Trustees

A handwritten signature in black ink, appearing to read 'N. Jackson', written over a thin horizontal line.

Neville Jackson

Chairman

2nd June 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of Royal Automobile Club Foundation for Motoring Limited for the year ended 31 December 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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 charitable company's state of affairs as at 31 December 2022 and of its 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 Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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.

Other information

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 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 to take advantage of the small companies exemption in preparing the Report of the Trustees and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the Trustees (who are also 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

In preparing the financial statements, the trustees are responsible for assessing the 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 charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with management and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

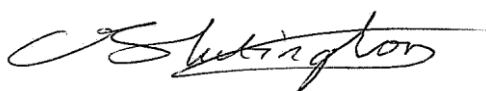
partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

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



Cara Turtington (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 6 June 2023

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2022 Total £	2021 Total £
Income from						
Investments	2	454,702	-	-	454,702	443,085
Grants		-	26,970	-	26,970	136,776
				-		
Total Income		454,702	26,970	-	481,672	579,861
Expenditure on:						
Raising funds		-	-	130,217	130,217	162,001
Charitable activities	3	810,646	55,097	-	865,743	988,665
Total Expenditure		810,646	55,097	130,217	995,960	1,150,666
Net (loss)/gain on investments	8	-	-	(3,382,631)	(3,382,631)	3,475,865
Net (deficit)/ income for the year		(355,944)	(28,127)	(3,512,848)	(3,896,919)	2,905,060
Transfers between funds	11	504,020	(36,020)	(468,000)	-	-
Net movement in funds		148,076	(64,127)	(3,980,848)	(3,896,919)	2,905,060
Reconciliation of funds:						
Total funds brought forward		4,190,147	84,147	32,602,731	36,877,025	33,971,965
Total funds carried forward		4,338,223	20,000	28,621,883	32,980,106	36,877,025

The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources derive from continuing activities.

The notes on pages 20 to 30 form part of these financial statements.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

BALANCE SHEET
31 DECEMBER 2022

		2022	2021
	Note	£	£
Fixed Assets			
Tangible fixed assets	7	-	-
Investments	8	<u>32,742,757</u>	<u>36,743,077</u>
		32,742,757	36,743,077
Current Assets			
Debtors	9	31,822	35,094
Cash at bank and in hand		<u>590,667</u>	<u>387,227</u>
		622,489	422,321
Creditors: Amounts falling due within one year	10	<u>(385,140)</u>	<u>(288,373)</u>
Net current assets		237,349	133,948
Net Assets		<u>32,980,106</u>	<u>36,877,025</u>
Funds			
Unrestricted funds	11	4,338,223	4,190,147
Restricted funds	12	20,000	84,147
Expendable endowment funds	13	<u>28,621,883</u>	<u>32,602,731</u>
		<u>32,980,106</u>	<u>36,877,025</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 20 to 30 form part of these financial statements.

The financial statements were approved by the Trustees on 2nd June 2023



N Jackson
Chairman

B Cussons
Trustee

Company Registration No. 2596548 (England and Wales)

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Net cash used in operating activities	17	(797,175)	(994,052)
<u>Cash flows from investing activities</u>			
Purchases of investments		(16,599,511)	(2,597,388)
Proceeds from disposal of investments		16,316,930	2,801,840
Investment income received		468,109	443,085
Withdrawal from endowment		468,000	468,000
Net cash from investing activities		<u>653,528</u>	<u>1,115,537</u>
Net (decrease)/increase in cash & cash equivalents		(143,647)	121,485
Cash and cash equivalents at the beginning of the year		738,405	616,920
Cash and cash equivalents at end of the year	17,18	<u><u>594,758</u></u>	<u><u>738,405</u></u>

The notes on pages 20 to 30 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. Accounting convention

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The Foundation's operational and functional currency is pounds sterling.

Based on the value of the expendable endowment funds, the Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern.

1.1. Income

Investment income is accounted for on a receivable basis.

Grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

1.2. Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of VAT which cannot be recovered. Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising investment income. Other direct, support and governance costs are allocated to charitable activities as they are incurred.

1.3. Tangible fixed assets and depreciation

Items purchased are capitalised when they cost over £1,000 and have ongoing value to the Foundation.

Depreciation is provided at the following rates to write off the cost of each asset over its expected useful life:

Office equipment - 3 to 10 years

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1.4. Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

1.5. Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.6. Funds

Expendable endowment fund (see note 13)

This represents the original donation in 1998 at the time the Foundation was set up, as adjusted for subsequent movements in investment values, investment management costs and any expenditure of the endowment. This fund can be retained as capital or used at the Trustees' discretion for any purpose within the Foundation's objects.

Unrestricted income fund

This represents accumulated unspent income and can be used at the Trustees' discretion for any purpose within the Foundation's objects.

Restricted income fund

This represents grant income received for specific projects.

1.7. Pensions

Retirement benefits to employees are funded by contributions from both the Foundation and employees, administered through the Royal Automobile Club pension scheme; a multi-employer scheme. Contributions to the scheme are on a defined contribution basis, and are charged to the Statement of Financial Activities in the year in which they are incurred.

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

1.8. Financial instruments

The Foundation has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost. For debt instruments this is calculated using the effective interest rate method.

1.9. Critical estimate and judgements and key sources of estimation uncertainty

In the application of the Foundation's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The Trustees consider that there are no areas of estimation uncertainty, and no critical estimates were required to prepare the financial statements.

2. Investment income	2022	2021
	£	£
Dividends and interest receivable on fixed asset investments	453,891	443,061
Bank interest receivable	811	24
	<u>454,702</u>	<u>443,085</u>

3. Charitable activities	Total	Total
	2022	2021
	£	£
Staff Costs	535,182	552,007
Direct Costs	61,697	216,046
Support Costs	259,564	212,837
Governance costs (note 4)	9,300	7,775
	<u>865,743</u>	<u>988,665</u>

4. Governance costs	Total	Total
	2022	2021
	£	£
Audit fees	9,300	7,775
	<u>9,300</u>	<u>7,775</u>

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

5. Staff costs and advisor fees	2022	2021
	£	£
Wages and salaries	457,471	476,196
Social security costs	52,163	51,102
Employer's pension costs	25,548	24,709
	<u>535,182</u>	<u>552,007</u>
Number of employees with total remuneration between:	2022	2021
	Number	Number
£70,000 - £79,999	-	2
£80,000 - £89,999	2	-
£170,000 - £179,999	1	-
£190,000-£199,999	-	1
	<u>-</u>	<u>1</u>

Contributions of £16,324 (2021: £15,813) were made to the group personal pension scheme on behalf of the highest paid employees.

The following trustees have been paid these amounts in respect of specialist advisor fees:

	2022	2021
	£	£
Neville Jackson	30,000	30,000

At 31 December 2022 there were no amounts owing in respect of the above adviser's fees (2021: no amounts owed to Neville Jackson).

No expenses were either reimbursed to or paid directly on behalf of Trustees during the year (2021: no expenses).

The key management personnel of the Foundation comprise the Trustees and the Director. The total cost to the Charity of the key management personnel, including any relevant pension contributions, but excluding payments made to specialist advisors noted above, were £200,613 (2021: £218,615).

Staff numbers

The average number of full-time equivalent employees during the year was made up as follows:

	2022	2021
	Number	Number
Director	1	1
Campaigns and research	6	6
	<u>7</u>	<u>7</u>

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

6.	Net movement in funds for the year	2022	2021
		£	£
	This is stated after charging:		
	Depreciation	-	328
	Auditors' remuneration - for audit	9,300	7,775
	Auditors' remuneration - for other services	4,100	5,575
7.	Tangible fixed assets		Office equipment £
	Cost		
	At 1 January and 31 December 2022		33,698
	Depreciation		
	Brought forward 1 January 2022		33,698
	Charge for year		-
	Carried forward 31 December 2022		33,698
	Net book value		
	as at 31 December 2022		-
	as at 31 December 2021		-

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

8. Investments	2022 £	2021 £
Managed and unitised funds		
Market value at 1 January	36,391,899	33,675,022
Additions at cost	16,599,511	2,597,388
Disposals	(16,316,930)	(2,801,840)
Investment (loss)/gains	(3,382,631)	3,475,865
Withdrawal from endowment portfolio	(468,000)	(468,000)
Investment managers fees	(85,183)	(86,536)
Market value at 31 December	32,738,666	36,391,899
Investment cash	4,091	351,178
Total Investments as at 31 December	32,742,757	36,743,077
Historical cost	31,626,541	29,378,746

All investments are carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value, using the bid price.

	2022		2021	
	Cost £	Market Value £	Cost £	Market Value £
Fixed Interest				
United Kingdom	-	-	2,231,486	2,152,821
Overseas	-	-	361,500	386,648
Equities				
United Kingdom	-	-	4,107,221	5,231,397
Continental Europe	-	-	672,485	1,132,995
North America	-	-	3,001,531	4,472,882
Japan	-	-	346,831	401,445
Far East	-	-	577,849	902,491
Global	-	-	385,915	497,916
Emerging Economies	-	-	288,693	331,449
Money Market Instruments	-	-	200,000	200,000
Multi-asset funds	15,901,331	15,658,976	-	-
Property	1,112,198	1,104,207	1,255,211	1,405,699
Alternatives	14,608,921	15,975,483	15,598,846	19,276,156
Cash	4,091	4,091	351,178	351,178
Total	31,626,541	32,742,757	29,378,746	36,743,077

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

9. Debtors

	2022	2021
	£	£
Interest and dividends receivable	-	22,742
Prepayments	31,822	12,352
	<u>31,822</u>	<u>35,094</u>

10. Creditors

	2022	2021
	£	£
Accruals and other creditors	385,140	288,373
	<u>385,140</u>	<u>288,373</u>

11. Unrestricted Funds

	2022 Opening £	Income £	Expenditure £	Transfer £	2022 Closing £
Unrestricted Funds	<u>4,190,147</u>	<u>454,702</u>	<u>(810,646)</u>	<u>504,020</u>	<u>4,338,223</u>
	2021 Opening £	Income £	Expenditure £	Transfer £	2021 Closing £
Unrestricted Funds	<u>4,093,978</u>	<u>443,085</u>	<u>(814,916)</u>	<u>468,000</u>	<u>4,190,147</u>

The transfers into the unrestricted funds represent two specific transactions:

- £480,000 from the expendable endowment funds represents monies drawn down from an accumulating investment fund held as part of the Foundation's investment portfolio
- £36,020 from the restricted fund represents restricted spend from the period from 2019-2021 which was incorrectly captured as unrestricted expenditure in the financial statements in these periods. The transfer from restricted funds reimburses the unrestricted fund and correctly brings the balance of restricted funds for the Road Collision Fund to £nil at 31 December 2022 in line with the accounting returned to the funders.

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

12. Restricted Funds

	2022 Opening £	Income £	Expenditure £	Transfer £	2022 Closing £
Road Collision fund	84,147	6,970	(55,097)	(36,020)	-
Road Safety Investigation Branch	-	20,000	-	-	20,000
	<u>84,147</u>	<u>26,970</u>	<u>(55,097)</u>	<u>(36,020)</u>	<u>20,000</u>
	2021 Opening £	Income £	Expenditure £	Transfer £	2021 Closing £
Road Collision fund	121,120	125,000	(161,973)	-	84,147
Pre-driver Theatre and Workshop fund	-	11,776	(11,776)	-	-
	<u>121,120</u>	<u>136,776</u>	<u>(173,749)</u>	<u>-</u>	<u>84,147</u>

The Road Collision fund represents money received to explore the business case for improving the investigation of road crashes, in particular working with volunteer police forces to revisit the material available in police records. This project was completed during the year.

The Road Safety Investigation Branch fund is for the Foundation to provide support and input to the work involved in creating a Road Safety Investigation Branch of the Department of Transport, specifically advising on the data, staff capabilities and prioritisation approaches that the new body is likely to require to fulfil its proposed statutory functions.

13. Expendable Endowment Funds

	2022 Opening £	Expenditure £	Gains £	Transfer £	2022 Closing £
	<u>32,602,731</u>	<u>(130,217)</u>	<u>(3,382,631)</u>	<u>(468,000)</u>	<u>28,621,883</u>
	2021 Opening £	Expenditure £	Gains £	Transfer £	2021 Closing £
	<u>29,756,867</u>	<u>(162,001)</u>	<u>3,475,865</u>	<u>(468,000)</u>	<u>32,602,731</u>

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

14. Analysis of net assets between funds

2022	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	-	-
Investments	-	-	32,742,757	32,742,757
Current assets	4,720,863	20,000	(4,120,874)	622,489
Liabilities	(385,140)	-	-	(385,140)
Balance at 31 December 2022	<u>4,338,223</u>	<u>20,000</u>	<u>28,621,883</u>	<u>32,980,106</u>

Analysis of net assets between funds

2021	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	-	-
Investments	-	-	36,743,077	36,743,077
Current assets	4,478,520	84,147	(4,140,346)	422,321
Liabilities	(228,373)	-	-	(288,373)
Balance at 31 December 2021	<u>4,190,147</u>	<u>84,147</u>	<u>32,602,731</u>	<u>36,877,025</u>

15. Related parties

There were no related party transactions except those transactions with the Trustees in note 5 above.

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

16. Limitation of liability

Every member (being the Trustees of the Foundation) guarantees £1 in the event of the Foundation being wound up while they are a member and for the year after they cease to be a member.

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

	2022 £	2021 £
Net movement in funds	(3,896,919)	2,905,060
Add back depreciation charge	-	328
Add back Pictet investment manager fee	85,183	86,536
Deduct investment income	(468,109)	(443,085)
Loss/(gain) on investments	3,382,631	(3,475,865)
Decrease/(increase) in debtors	3,272	(1,297)
Increase/(decrease) in creditors	96,797	(65,729)
Net cash used in operating activities	<u>(797,175)</u>	<u>(994,052)</u>

18. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	590,667	387,227
Cash with investment manager	<u>4,091</u>	<u>351,178</u>
	<u>594,758</u>	<u>738,405</u>

19. Analysis of changes in net debt

	At 1 January 2022 £	Cashflows £	At 31 December 2022 £
Cash at bank and in hand	387,227	203,440	590,667
Cash with investment manager	<u>351,178</u>	<u>(347,087)</u>	<u>4,091</u>
	<u>738,405</u>	<u>(143,647)</u>	<u>594,758</u>

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

20. Comparative statement of financial activities

	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2021 Total £
Income from				
Investments	443,085	-	-	443,085
Grants	-	136,776	-	136,776
Total Income	443,085	136,776	-	579,861
Expenditure on:				
Raising funds	-	-	162,001	162,001
Charitable activities	814,916	173,749	-	988,665
Total Expenditure	814,916	173,749	162,001	1,150,666
Net gains on investments	-	-	3,475,865	3,475,865
Net (loss)/income for the year	(371,831)	(36,973)	3,313,864	2,905,060
Transfers between funds	468,000	-	(468,000)	-
Net movement in funds	96,169	(36,973)	2,845,864	2,905,060

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED

England & Wales - Charity number 1002705

Accounts

Company Registration No. 2596548 (England and Wales)
Charity No. 1002705

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

CONTENTS

	Page
Legal and administrative information	1
Chairman's Report	2
Report of the Trustees	4
Independent auditors' report	12
Statement of financial activities	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees	Professor N Jackson, Chairman Ms J Baker Mr B Cussons Mr D Hobday Mr S Kollamthodi Mr P Read	
Director	Mr S Gooding CB	
Registered office	Royal Automobile Club Foundation for Motoring Limited 89-91 Pall Mall London SW1Y 5HS	
Company registration number	2596548	
Charity number	1002705	
Independent Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE	
Bankers	National Westminster Bank Plc 208 Piccadilly London W1A 2DG	
Investment Advisors	Barnett Waddingham Cheapside House 138 Cheapside London EC2V 6BW	
Investment Managers	Investec Wealth & Investment 2 Gresham Street London EC2V 7QP	Pictet Asset Management Moor House 120 London Wall London EC2Y 5ET

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

CHAIRMAN'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Although not quite as challenging as 2020, with its full covid-related lockdown, 2021 was another year where many of the usual Foundation activities were curtailed by the ongoing Covid restrictions and Government urging those who could to work from home rather than returning to full-time office life. Another year passed with no Winter Reception, no Summer Motoring Policy workshop and all but one of our Public Policy Committee meetings held on-line rather than in person. I am nevertheless pleased to relate that despite all these factors there was no let-up in Foundation activity and engagement, and in the latter part of the year, as some face-to-face contact began to re-appear, we were at last able to meet with my fellow Trustees and PPC members in October and volunteer a proper vote of thanks to my predecessor as Chair, Joe Greenwell, who joined us for a convivial evening in the Royal Automobile Club's Pall Mall clubhouse. As I said in my report last year, Joe did a tremendous job as chair, in particular building the essential relationships throughout the automotive and motoring policy worlds on which the effectiveness of the Foundation rests.

Into November and the Foundation was able to re-instate its popular Data Driven workshop in-person during the Royal Automobile Club's London Motor Week, focusing on data sources and data analysis relevant for informing thinking on motoring and roads policy issues. Motor Week leads up to the annual RM Sotheby's London to Brighton Veteran Car Run, which this year included a collaboration between the Club and the Foundation to create the world's oldest 'connected cars', an initiative then published in a Foundation report setting out how it was done and giving pointers to the way connected vehicle technology could be used in future.

July saw the publication of *Standing Still*, an analysis of various aspects of parking, authored by the Foundation's Emily Nagler, updating work originally undertaken for *Spaced Out* in 2012. The report focused, in particular, on where and for how long most private cars are left stationary and the opportunity thereby to shape the deployment of charging infrastructure for plug-in electric vehicles. It also drew attention to the impossibility of fitting many modern cars into the 'garages' of 21st century homes – bad news for those hoping to keep residential streets and footways clear. Emily left the Foundation for pastures new in September and we wish her all the best for the future.

Aside from commenting in the mainstream media and the professional press, away from the many conference appearances, and separate from the published analytical output, a key part of the Foundation's mission is engagement with policy development. During the year the Foundation's Director joined me as a member of the Electric Vehicle Energy Task Force, which brings colleagues from the automotive and energy industries together to generate advice to Government on how best to manage the swift process of migrating to non-fossil-fuelled vehicles in order to meet its net zero carbon ambitions. The Director was also active as the chair of the Department for Transport's Transport Technology Forum, and the Foundation team continued to participate in more sounding boards and workshops than there is space to list here. I am also pleased to congratulate the Director on becoming president of the Chartered Institute of Logistics and Transport UK for 2021-22, which reflects well on him and on the Foundation.

The Foundation owes a huge debt of gratitude to my fellow Trustees for their active engagement and encouragement throughout the year. I am particularly grateful to Ben Cussons, Jo Baker and Peter Read for their work on our Investment Sub-Committee, tasked with ensuring that despite the economic uncertainties of the year gone by the Royal Automobile Club's generous endowment continues to generate the returns that fund the Foundation's activities. They have been particularly active in challenging our fund managers on their attitude to so-called ESG reporting (environment, social value and governance) which has grown greatly in importance for assessing the long-term sustainability of investment opportunities.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**CHAIRMAN'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

To close my report there are two more things deserving of mention. The first is that with the Foundation's major Road Collision Investigation Project beginning to draw to a close (the final report will be published in 2022), the Government was sufficiently persuaded by the evidence and analysis generated thus far to launch a consultation in October 2021 on establishing a Road Collision Investigation Branch. This is a major feather in the Foundation's cap and a testament to a great deal of hard, collaborative work between the Foundation team, the police, officials – including those from the existing accident investigation branches – and consultants commissioned as part of the exploratory work.

And on the subject of feathers in caps, it was a pleasure in November to see the Foundation recognised as a joint recipient of a Prince Michael of Kent International Road Safety award, alongside the Transport Department and the Road Safety Foundation, for its part in bringing the £100m Safer Roads Fund into existence to improve the safety of some of the most dangerous stretches of A roads in England. The award cited the project as a “fine example of collaboration” and the creation of the Fund itself as an “outstanding achievement”.

As 2022 gets underway there are still many issues to be tackled – vehicle emissions, improving safety, and coping with sky-high fuel prices to name but three – and I look forward to the Foundation continuing to play its part, working collaboratively to deliver more outstanding achievements.



Professor Neville Jackson
Chairman

3rd May....2022

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees (who are directors for the purposes of Company law) are pleased to present their annual Trustees' report together with the financial statements of the RAC Foundation for the year ended 31 December 2021. The legal and administrative information on page 1 forms part of this report.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS 102).

Objectives and activities

The objective of the Foundation is:

- to promote for the public benefit research into the environmental, economic, mobility and safety issues relating to the use of motor vehicles.

In practice this means the Foundation seeks to illuminate, inform and influence the debate about roads and road use, taking the perspective of the responsible motorist, with a particular focus on affordable, safe and sustainable mobility.

The Foundation's activities:

- Researching/analysing – the Foundation commissions and disseminates research and analysis from a variety of experts in the academic and consultancy worlds; the staff of the Foundation also conduct research and analysis directly. Material is published on the Foundation's website, sometimes alongside a limited run of hard-copy documents, and disseminated through a variety of media. The annual research programme is reviewed by the Trustees for consistency with the Foundation's charitable purposes. In addition to disseminating the Foundation's own work, the Foundation also seeks to bring other relevant research material to the notice of those involved in the development of transport policy;
- Commenting/reacting – the Foundation seeks to engage with the issues of the day, insofar as they relate to motoring and road use, in particular drawing on the back catalogue of Foundation research and the expertise and knowledge of Foundation staff to offer an informed perspective. This involves briefing journalists and appearing in the media, including specialist journals, and through to giving evidence e.g. to parliamentary committees; and
- Engaging/debating – the Foundation seeks to make contact and engage with a wide range of organisations active in the development of transport policy and the delivery of transport services at a national and a local level, including the Department for Transport, the Treasury, the Department for the Environment, Farming and Rural Affairs, the Department for Levelling Up, Housing and Communities, and National Highways, with professional bodies and associations such as the Association of Directors of Economy, Environment, Planning and Transport and the Chartered Institute of Highways and Transport, and trade associations including the Society of Motor Manufacturers and Traders and the British Vehicle Rental and Leasing Association. Foundation staff are encouraged to accept invitations to present material at conferences and workshops, join stakeholder groups and sounding boards, and to host and facilitate workshops.

Our ambition is for the Foundation to explore, inform and promote policies that will get people and goods where they need to be, when they need to be there, in safety, affordably, with minimum environmental impact.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

In reviewing our objectives and research programme the Trustees confirm that they have regard to the Charity Commission's guidance on public benefit and consider each year how the Foundation meets its public benefit objectives.

Achievements and performance

In pre-Covid times a good deal of Foundation activity involved face-to-face meetings and travel to take part in conferences and events. But since the end of March 2020 the Foundation team has been predominantly working from home, meeting together in the Pall Mall office no more than once a fortnight (when Government rules allowed). Similarly, the Foundation's contacts in other organisations were rarely either hosting or attending in-person meetings. So, it is gratifying for us to record that despite these difficulties the Foundation has continued to engage with, inform and influence the debate on motoring, be that on-line or through in-person events when they began to return as the year drew to a close.

Importantly we note that the Foundation staff reached the end of the year in good physical and mental health, and we were happy to congratulate Dr Ivo Wengraf and his partner on the birth of their son, Oscar, in August. Whilst on staff matters we also wished analyst Emily Nagler well as she departed the Foundation in September to start a new job in Stockholm. Emily left having produced, amongst other things, a substantial report on various aspects of parking, *Standing Still*¹, which updated previous Foundation work, and found many things hadn't changed since 2012's *Spaced Out*, including the statistic that the average car or van in England is driven just 4% of the time (a figure that has barely changed in quarter of a century), that for the rest of the time that car or van is either parked at home (73%) or parked elsewhere (23%), for example at work, and that with 18 million (65%) of Britain's 27.6 million households having – or with the potential to have – enough off-street parking to accommodate at least one car or van there is a huge opportunity for charging electric vehicles at home.

Unfortunately, the Foundation's attempt to recruit to backfill Emily's post was unsuccessful – the market for skilled data analysts is becoming ever more competitive and it is to be hoped that a further recruitment exercise in 2022 pays dividends.

In terms of reports, the year began with the Foundation's annual highway bridge condition survey, undertaken in partnership with the Association of Directors of Economy, Environment, Planning and Transport, and closed with a report that documented the Foundation's partnering with the Royal Automobile Club for a project run by WhiteWillow Consulting to equip the three Club cars participating in the annual RM Sotheby's London to Brighton Veteran Car Run with equipment making them the world's oldest 'connected cars', enabling course specific information to be supplied to the drivers, including real-time alerts, and enabling information on their progress to be fed back². Through the year the Foundation continued to update the many data feeds and factsheets hosted on its website, including those on fuel prices, local authority parking income, the take-up of plug-in vehicles and the roll-out of local authority clean air zones.

Some of the Foundation's external contractors continued to suffer from the impacts of Covid – either personally or through constraints that held-up projects that required volunteers to participate in person - which meant some projects slowing from their original timescales though not to their long-term detriment.

Although as noted below in the Financial Review income from the Foundation's invested endowment was sustained, the decision to hold back on commissioning new work in 2020 meant fewer commissioned projects than in other years being taken forward or reporting in 2021. However, significant progress was made on the Road Collision Investigation Project (by far the largest project the Foundation has undertaken in terms of budget and duration) with the benefit of c. £800,000 of grants from the Department for Transport and National Highways, so

¹ *Standing Still*, July 2021

² *Looking to the future by connecting to the past*, December 2021

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

much so that in October Roads Minister Baroness Vere launched a consultation on creating a Road Collision Investigation Branch. The persuasive factors were not just the emerging evidence and analysis to populate an outline business case to do so, but the fact that synergies were identified with the emerging findings from the Law Commissions' work to propose a legal framework to accommodate fully and partially automated driving. The fact that the Foundation team had established a good working relationship with the Law Commissions meant that the join-up – that if a specialist investigative unit were to be established for automated driving then why not nest that within a unit with a more general investigative function? – was quickly spotted and used to build what, at the time of writing this report, appears to have been a compellingly persuasive case.

We were delighted that the work of the Foundation was recognised as part of the team winning a Prince Michael of Kent International Road Safety award in November, a particular pleasure since His Royal Highness is the Royal Patron of the Royal Automobile Club. The RAC Foundation, the Road Safety Foundation and the Department for Transport were the joint winners for their “fine example of collaboration” and the “outstanding achievement” of the £100 million Safer Roads Fund, established following a successful pathfinder programme delivered by the Road Safety Foundation and commissioned and financially supported by the RAC Foundation and the Department for Transport. The Safer Roads Fund programme is focused on treating the 50 highest risk local A road sections in England with remedial road safety engineering interventions. Together the Safer Roads Fund schemes are set to prevent around 1,450 fatal and serious injuries over the next 20 years.

Once again, the Foundation was pleased to promote the work of Transport for New Homes – on whose steering board the Foundation's Director sits – highlighting the risk of making residents of new housing developments car dependent. The Foundation has a track record of highlighting the downsides of building-in car dependency, whilst still noting the benefits that cars bring - the Foundation has previously observed that the private car with a single occupant is far from being the best choice for all trips particularly in terms of the wider environmental and congestion impacts that can create. The key, in achieving net zero carbon and improved air quality is in part to be found in technology and in part in enabling people to choose the right mode for the right trip, whether that be a zero-tailpipe emission car, an electric micro-scooter for hire, or a hydrogen-fuelled bus.

Over the summer and autumn the Foundation's analysts were hard at work on modelling the likely implications of the transition to zero-tailpipe emission cars in terms of a decline in fossil fuel sales and fuel duty income to the Treasury. The analysis, ably led by Doreen Lam, went through several refinements and iterations following debate and discussion with numerous stakeholders before publication in January 2022³. With c. £27 billion at stake the question of what might best take the place of fuel duty in the medium to long term is highly relevant to the future economics of motoring, and potentially to policy-makers' eternal fascination with the scope for 'demand management'.

Much Foundation activity involves engagement away from publications and the media, and 2021 saw considerable team input into issues such as the work to create a new code of practice for the management of private parking, published by the Department for Levelling Up early in 2022, an on-line look-up service allowing motorists to check the compatibility of their vehicle with E10 petrol hosted by Zemo, and to pick just a few other working groups and committees: the Electric Vehicle Energy Task Force, the Transport Technology Forum, the Road Safety Trust's Road Safety Champions meetings and the Centre for Connected and Autonomous Vehicles' AV-Drive Working Group. Through the year members of the Foundation gave evidence in writing and in-person to several Parliamentary Select Committee inquiries and All-Party Parliamentary Groups. The Foundation was also pleased to provide input to the RAC Motoring Services' *Annual Report on Motoring*.

Sadly, another year has passed where we were not able to co-host the Foundation's annual Winter Reception, which we have run jointly with RAC Motoring Services and the Royal Automobile Club for many years. This is

³<https://www.racfoundation.org/research/economy/fuel-duty-decline-a-technical-ote?msclkid=55c314e2ac5211ec97e3331cb1a4e5f9>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

usually our opportunity to thank the many people we have worked with throughout the previous 12 months. We volunteer our thanks to them, nonetheless, and hope that we're able to see them in person in 2022.

For us at the Foundation, as with everyone else in the country, 2021 turned out to be another year of unprecedented upheaval, but again it was a year where the Foundation continued to produce innovative, well evidenced and, we believe, useful material. We are only too well aware that the Foundation's ability to do so owes much to the financial stability it enjoys thanks to the Royal Automobile Club's endowment, and in writing this report our thoughts are, as last year, with those for whom, professionally and personally, the year was far, far harder than ours.

Future plans

Looking at the Foundation's working practices it looks increasingly unlikely that the team will return to the pre-pandemic routine of office working most days. Much of the Foundation's in-house activity can be undertaken on-line, and while face-to-face meetings have re-started at the end of 2021 many conferences, seminars and workshops are still being run as virtual events. That will ultimately have implications for the London office space that the Foundation occupies, which will be the subject of discussion with the Royal Automobile Club as it too reviews its requirements for its back office teams. The Foundation will continue to invest in the professional development of the Foundation staff, in particular through various on-line training opportunities and conferences.

As in previous years, the Foundation will continue to seek out fresh data sets, opportunities for joint working with other organisations to reach a broader audience, including professional institutions, member organisations and the higher education sector, and the scope to make the most of its internal analytical capabilities. We expect no let-up in interest in issues such as carbon reduction, the promotion of improved air quality, the desire to improve road safety and, as the vehicle parc moves away from fossil fuels, debate about what, if anything, should take the place of fuel duty income for the Treasury.

2022 will be the year where the Foundation publishes the final report of the Road Collision Investigation Project, and it also marks the 20th anniversary of *Motoring Towards 2050*, the 2002 study that in many ways established the Foundation's credentials as an analysis and data-led contributor to thinking about motoring and its place in the mix of mobility options that support our lifestyles and our economic health, and an anniversary the Foundation will be looking to mark with events through the year.

Financial Review

The work of the Foundation is very largely funded from the return achieved on the investment of the original charitable endowment gifted by the Royal Automobile Club in 1998. This covers the salaries of the Foundation's permanent staff, accommodation and office expenses, and provides a core budget for commissioned research and publications. The Foundation supplements this from time-to-time through joint working with other bodies and, specifically for the Road Collision Investigation Project, with a grant from the Department for Transport, and for the Road Traffic Injury Analytics project with a grant from the FIA, both made in 2018. Further grant funding for the Road Collision Investigation Project came in from Highways England in 2020 and 2021.

In the Statement of Financial Activities on page 16, income from half the investment portfolio is received in the form of dividends and interest (£443,085). The rest of the investment portfolio is held in an accumulation fund where dividends etc. are reinvested. Cash withdrawn from this fund is realised through the disposal of units in the accumulation fund and is represented on the Statement of Financial Activities on page 14 as the transfer of £486,000 from the Expendable endowment to the Unrestricted reserves.

The net gain on investments in the year was £3,475,865 contributing to a total net movement of funds in the year of £2,905,060.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Expendable endowment fund

This represents the original donation in 1998 at the time the Foundation was established in its current corporate form, as adjusted for subsequent movements in investment values, investment management costs and any expenditure of the endowment. The fund can be retained as capital or disbursed at the Trustees' discretion for any purpose within the Foundation's objects, and at year-end 2021 was valued at £32,602,731, a gain of £2,845,864 over the year.

Taking one year with another, despite the ongoing turbulence in investment markets in 2021 and some continued uncertainty looking ahead, the Trustees are nevertheless content that the value of the expendable endowment is being satisfactorily maintained so as to ensure the long-term viability of the Foundation without the need to seek further charitable donations.

Restricted income fund

This represents funds given for particular purposes within the Foundation's objects and stands at £84,147 (2020: £121,120) at the year end.

Unrestricted income fund

This represents accumulated unspent income and can be used at the Trustees' discretion for any purpose within the Foundation's objects and stands at £4,190,147 at year end.

Reserves and Investment policy

The Trustees' policy is to maintain in the long term the real value of the expendable endowment fund and also to generate sufficient income to cover proposed (budgeted) expenditure in-year.

In 2017 the Trustees, on advice from the Investment Sub-Committee, re-invested the expendable endowment equally between two investment managers: Pictet and Investec Wealth. The aim, in selecting new investment management, was to spread risk in an uncertain investment climate, and to adopt a modest increase in risk appetite in order to achieve a higher return, and thus fund increased Foundation activity.

The Investment Sub-Committee monitors the fund managers' investment performance through the year and reports to the full Trustee meeting which in turn reviews the value of the endowment and the spend profile of the Foundation budget at the regular Trustee meetings.

The Trustees closely monitored the actions of the two fund managers and drew advice from Barnett Waddingham on their performance relative to the broader market through the turbulence of 2020 and 2021. On balance they were satisfied that the combined investment performance of the two fund managers was sufficient to support a sustained operating budget for the Foundation through the year.

Rather than earmark a discrete reserve, the Trustees continue to take the view that short term risks to the Foundation budget can be managed by authorising an exceptional drawdown from the expendable endowment. The Foundation's fund managers previously confirmed that they regard this as a manageable approach, consistent with the Trustees' stated investment objectives.

It is possible that the impact of coronavirus may necessitate further action by the Trustees depending on the impact it has on the value of the endowment and income earned in 2022, which in turn will be affected by the pace of

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

economic recovery once the various lockdown measures applied around the world are relaxed, but also by the tragic events unfolding in the Ukraine at the time of writing.

Structure, governance and management

Governing document

The Royal Automobile Club Foundation for Motoring Limited is a company limited by guarantee, governed by its Memorandum and Articles of Association, incorporated 28 March 1991 as amended 30 March 1999, 31 July 2000 and 27 January 2005. It is registered as a charity with the Charity Commission.

Appointment of Trustees

The Articles of Association prescribe that there shall be a minimum of five Trustees. The Trustees are then collectively responsible for the appointment and reappointment of trustees. Up to four trustee positions may be filled by nominees of the Royal Automobile Club (2) and RAC Motoring Services (2), subject to the approval of the Trustees. The Trustees may nominate one of their number to serve as Chair. The Trustees meet three times a year (April, July and November). While the Articles of Association allow for decisions to be taken on the basis of a majority vote in a quorate meeting, in practice all Trustees' decisions have been unanimous.

There was no change to the make-up of the Board of Trustees in 2021.

With the approval of the Trustees, as cleared with the Charity Commission, the Chairman receives £30,000 fees per annum for advisory services.

The Foundation's pay policy for staff is approved as part of the annual budget setting process in November each year. The Trustees separately consider and decide the Director's remuneration and bonus entitlement.

The Investment Sub-Committee comprises Ben Cussons (Chair), Jo Baker and Peter Read, with the Foundation's director as secretary, and is advised by Barnett Waddingham.

The Trustees are assisted in the discharge of their duties by a 'Public Policy Committee' (PPC) – comprising the Trustees and members who the Trustees have appointed in recognition of the perspectives and expertise they can offer on motoring and road policy. PPC members receive no remuneration. The PPC meets four times a year.

A system is in place to alert Trustees of the Foundation to their legal responsibilities and to ensure that they are eligible to act in such capacity. New Trustees are briefed on their roles as Trustees and asked to sign various proformas to draw their attention to their duty to comply with charity and company law and to act in the interests of the Foundation even when this may conflict with personal or other interests. Induction sessions are held to inform Trustees of the scope, objects and activities of the Foundation.

Office administration

The Foundation contracts with the Royal Automobile Club for the provision of office accommodation, IT support, payroll management and BACS. The Club also affords the Foundation the equivalent of corporate membership, through which the Foundation is able to book the Club's conference and catering facilities, which are then recharged at the Club's standard rates.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Risk Management

The Trustees reviewed the Foundation risk register routinely as part of the review of the Director's report which is provided – updated - for each of the regular Trustee meetings, updated and presented to each of the Trustee meetings through the year. The register highlights five key risks and associated mitigations (reputational risk e.g. arising from challenge to the accuracy of Foundation output); staff turnover; financial viability; interruption of service e.g. IT system failure; and relevance of Foundation output. The Trustees also keep under review whether additional risk merit inclusion in the review.

Through 2021 two risks rose to become issues. Emily Nagler's departure in the Autumn created a vacancy but the recruitment exercise we ran in early Summer did not result in anyone being appointed and so we were one person down – we took a conscious decision to carry the vacancy through to Spring 2022 to have the best chance of recruiting a replacement from our most promising market: masters students due to graduate in 2022. In practice we managed the workload between us, Emily having completed her own major projects before leaving. Second, we did have some IT issues, which included the Director's LinkedIn account being hacked, but we were able to identify workarounds, and the Club IT team quickly tackled the hacking issue with new security software - aside from a fake message being sent from the Director's LinkedIn account no further damage was found.

Looking ahead, recruitment and business continuity risk continue to loom largest but at the time of writing we are hopeful that a fresh recruitment exercise will pay off, and a more substantial work-around has been developed to allow the analysts to work safely on very large datasets outside the Club's systems.

Related parties and co-operation with other organisations

The Foundation maintains a register of potential conflicts of interest of the Trustees. No funds were held by the Foundation as a custodian trustee on behalf of others.

The Foundation has worked in partnership with various other bodies to run events during the year, including Highways UK and PA Consulting.

Despite the historical association between the Royal Automobile Club, the RAC Motoring Services Company and the Foundation – and the fact that the three seek to co-operate with each other (e.g. in sharing data and providing input to the Club's Motoring Committee) the Trustees do not consider either the Royal Automobile Club or the RAC Motoring Services business to constitute 'related parties' for accounting purposes.

Fundraising

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. The charity does not actively raise funds or solicit donations directly from the general public. The Charity does not work directly with commercial sponsors in relation to fundraising. The Trustees are not aware of any complaints made in respect of fundraising during the period

Trustees' Responsibilities Statement

The Foundation Trustees (who are also the directors of the Royal Automobile Club Foundation for Motoring Limited for the purposes of company law) are responsible for preparing a Report of the Trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

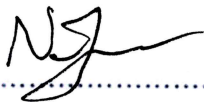
- there is no relevant information of which the charitable company's auditor is unaware, and
- the Trustees have each taken all steps that they are obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Saffery Champness LLP as auditors to the Foundation will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board of Trustees



**Neville Jackson
Chairman**

3rd May 2022

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of Royal Automobile Club Foundation for Motoring Limited for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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 charitable company's state of affairs as at 31 December 2021 and of its 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 Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.
We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 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 to take advantage of the small companies exemption in preparing the Report of the Trustees and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 10 and 11, the Trustees (who are also 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 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 charitable company or to cease operations, or have no realistic alternative to do so.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with management and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

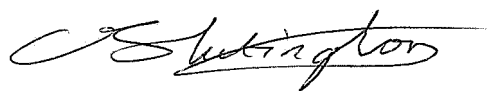
**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

Use of our report

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



Cara Turtington (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 20 June 2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2021 Total £	2020 Total £
Income from						
Investments	2	443,085	-	-	443,085	432,834
Grants		-	136,776	-	136,776	138,867
Total Income		443,085	136,776	-	579,861	571,701
Expenditure on:						
Raising funds		-	-	162,001	162,001	150,179
Charitable activities	3	814,916	173,749	-	988,665	1,063,323
Total Expenditure		814,916	173,749	162,001	1,150,666	1,213,502
Net gain on investments	8	-	-	3,475,865	3,475,865	806,856
Net (deficit)/income for the year		(371,831)	(36,973)	3,313,864	2,905,060	165,055
Transfers between funds	11	468,000	-	(468,000)	-	-
Net movement in funds		96,169	(36,973)	2,845,864	2,905,060	165,055
Reconciliation of funds:						
Total funds brought forward		4,093,978	121,120	29,756,867	33,971,965	33,806,910
Total funds carried forward		4,190,147	84,147	32,602,731	36,877,025	33,971,965

The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources derive from continuing activities.

The notes on pages 19 to 29 form part of these financial statements.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**BALANCE SHEET
31 DECEMBER 2021**

	Note	2021 £	2020 £
Fixed Assets			
Tangible fixed assets	7	-	328
Investments	8	36,743,077	33,922,706
		<u>36,743,077</u>	<u>33,923,034</u>
Current Assets			
Debtors	9	35,094	33,797
Cash at bank and in hand		387,227	369,236
		<u>422,321</u>	<u>403,033</u>
Creditors: Amounts falling due within one year	10	<u>(288,373)</u>	<u>(354,102)</u>
Net current assets		133,948	48,931
Net Assets		<u>36,877,025</u>	<u>33,971,965</u>
Funds			
Unrestricted funds	11	4,190,147	4,093,978
Restricted funds	12	84,147	121,120
Expendable endowment funds	13	32,602,731	29,756,867
		<u>36,877,025</u>	<u>33,971,965</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 19 to 29 form part of these financial statements.

The financial statements were approved by the Trustees on 3 May 2022


.....
N Jackson
Chairman


.....
J Baker
Trustee

Company Registration No. 2596548 (England and Wales)

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Net cash used in operating activities	17	(994,052)	(952,969)
<u>Cash flows from investing activities</u>			
Purchases of investments		(2,597,388)	(2,675,514)
Proceeds from disposal of investments		2,801,840	2,957,614
Investment income received		443,085	432,551
Withdrawal from endowment		468,000	334,000
Net cash from investing activities		1,115,537	1,048,651
Net increase in cash & cash equivalents		121,485	95,682
Cash and cash equivalents at the beginning of the year		616,920	521,238
Cash and cash equivalents at end of the year	17,18	738,405	616,920

The notes on pages 19 to 29 form part of these financial statements.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting convention

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The Foundation's operational and functional currency is pounds sterling.

Based on the value of the expendable endowment funds, the Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern.

1.1. Income

Investment income is accounted for on a receivable basis.

Grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

1.2. Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of VAT which cannot be recovered. Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising investment income. Other direct, support and governance costs are allocated to charitable activities as they are incurred.

1.3. Tangible fixed assets and depreciation

Items purchased are capitalised when they cost over £1,000 and have ongoing value to the Foundation.

Depreciation is provided at the following rates to write off the cost of each asset over its expected useful life:

Office equipment - 3 to 10 years

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1.4. Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

1.5. Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.6. Funds

Expendable endowment fund (see note 13)

This represents the original donation in 1998 at the time the Foundation was set up, as adjusted for subsequent movements in investment values, investment management costs and any expenditure of the endowment. This fund can be retained as capital or used at the Trustees' discretion for any purpose within the Foundation's objects.

Unrestricted income fund

This represents accumulated unspent income and can be used at the Trustees' discretion for any purpose within the Foundation's objects.

Restricted income fund

This represents grant income received for specific projects.

1.7. Pensions

Retirement benefits to employees are funded by contributions from both the Foundation and employees, administered through the Royal Automobile Club pension scheme; a multi-employer scheme. Contributions to the scheme are on a defined contribution basis, and are charged to the Statement of Financial Activities in the year in which they are incurred.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1.8. Financial instruments

The Foundation has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost. For debt instruments this is calculated using the effective interest rate method.

1.9. Critical estimate and judgements and key sources of estimation uncertainty

In the application of the Foundation's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The Trustees consider that there are no areas of estimation uncertainty, and no critical estimates were required to prepare the financial statements.

2. Investment income	2021	2020
	£	£
Dividends and interest receivable on fixed asset investments	443,061	432,551
Bank interest receivable	24	283
	<u>443,085</u>	<u>432,834</u>

3. Charitable activities	Total 2021	Total 2020
	£	£
Staff Costs	552,007	539,226
Direct Costs	216,046	276,927
Support Costs	214,462	241,020
Governance costs (note 4)	6,150	6,150
	<u>988,665</u>	<u>1,063,323</u>

4. Governance costs	Total 2021	Total 2020
	£	£
Audit fees	6,150	6,150
	<u>6,150</u>	<u>6,150</u>

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Staff costs and advisor fees	2021	2020
	£	£
Wages and salaries	476,196	470,613
Social security costs	51,102	53,179
Employer's pension costs	24,709	15,434
	<u>552,007</u>	<u>539,226</u>
Number of employees with total remuneration between:	2021	2020
	Number	Number
£70,000 - £79,999	2	2
£180,000 - £189,999	-	1
£190,000-£199,999	<u>1</u>	<u>-</u>

Contributions of £15,813 (2020: £13,060) were made to the group personal pension scheme on behalf of the highest paid employees.

The following trustees have been paid these amounts in respect of specialist advisor fees:

	2021	2020
	£	£
David Bayliss	-	5,250
Joe Greenwell	-	9,000
Neville Jackson	30,000	22,500

At 31 December 2021 there were no amounts owing in respect of the above adviser's fees (2020: £7,500 owed to Neville Jackson).

No expenses were either reimbursed to or paid directly on behalf of Trustees during the year (2020: no expenses).

The key management personnel of the Foundation comprise the Trustees and the Director. The total cost to the Charity of the key management personnel, including any relevant pension contributions, but excluding payments made to specialist advisors noted above, were £218,615 (2020: £209,522).

Staff numbers

The average number of full-time equivalent employees during the year was made up as follows:

	2021	2020
	Number	Number
Director	1	1
Campaigns and research	<u>6</u>	<u>6</u>
	<u>7</u>	<u>7</u>

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Net movement in funds for the year	2021	2020
	£	£
This is stated after charging:		
Depreciation	328	2,995
Auditors' remuneration - for audit	7,775	7,100
Auditors' remuneration - for other services	5,575	7,312
7. Tangible fixed assets		Office equipment
		£
Cost		
At 1 January and 31 December 2021		33,698
Depreciation		
Brought forward 1 January 2021		33,370
Charge for year		328
Carried forward 31 December 2021		33,698
Net book value		
as at 31 December 2021		-
as at 31 December 2020		328

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Investments	2021	2020
	£	£
Managed and unitised funds		
Market value at 1 January	33,675,019	33,562,733
Additions at cost	2,597,388	2,675,514
Disposals	(2,801,839)	(2,957,614)
Investment (loss)/gains	3,475,865	806,856
Withdrawal from endowment portfolio	(468,000)	(334,000)
Investment managers fees	(86,536)	(78,467)
Market value at 31 December	36,391,898	33,675,022
Investment cash	351,178	247,684
Total Investments as at 31 December	36,743,077	33,922,706
Historical cost	29,378,746	29,578,643

All investments are carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value, using the bid price.

	2021		2020	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Fixed Interest				
United Kingdom	2,231,486	2,152,821	2,347,269	2,368,052
Overseas	361,500	386,648	306,981	314,505
Equities				
United Kingdom	4,107,221	5,231,397	4,486,895	4,952,196
Continental Europe	672,485	1,132,995	672,591	973,050
North America	3,001,531	4,472,882	2,663,519	3,579,795
Japan	346,831	401,445	348,530	392,640
Far East	577,849	902,491	577,849	893,362
Global	385,915	497,916	493,189	569,727
Emerging Economies	288,693	331,449	288,753	352,578
Money Market Instruments	200,000	200,000	-	-
Property	1,255,211	1,405,699	1,222,455	1,253,485
Alternatives	15,950,024	19,276,155	15,922,925	18,025,629
Total	29,378,746	36,743,077	29,578,643	33,922,706

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Debtors

	2021	2020
	£	£
Interest and dividends receivable	22,742	23,957
Prepayments	12,352	9,840
	<u>35,094</u>	<u>33,797</u>

10. Creditors

	2021	2020
	£	£
Accruals and other creditors	288,373	354,102
	<u>288,373</u>	<u>354,102</u>

11. Unrestricted Funds

	2021 Opening £	Income £	Expenditure £	Transfer £	2021 Closing £
Unrestricted Funds	<u>4,093,978</u>	<u>443,085</u>	<u>(814,916)</u>	<u>468,000</u>	<u>4,190,147</u>
	2020 Opening £	Income £	Expenditure £	Transfer £	2020 Closing £
Unrestricted Funds	<u>4,253,082</u>	<u>434,925</u>	<u>(928,029)</u>	<u>334,000</u>	<u>4,093,978</u>

The transfer from the expendable endowment funds represents monies drawn down from an accumulating investment fund held as part of the Foundation's investment portfolio.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Restricted Funds

	2021 Opening £	Income £	Expenditure £	Transfer £	2021 Closing £
Road Collision fund	121,120	125,000	(161,973)	-	84,147
Pre-driver Theatre and Workshop fund	-	11,776	(11,776)	-	-
	<u>121,120</u>	<u>136,776</u>	<u>(173,749)</u>	<u>-</u>	<u>84,147</u>
	2020 Opening £	Income £	Expenditure £	Transfer £	2020 Closing £
Road Collision fund	119,638	125,000	(123,518)	-	121,120
Pre-driver Theatre and Workshop fund	-	11,776	(11,776)	-	-
	<u>119,638</u>	<u>136,776</u>	<u>(135,294)</u>	<u>-</u>	<u>121,120</u>

The Road Collision fund represents money received to explore the business case for improving the investigation of road crashes, in particular working with volunteer police forces to revisit the material available in police records.

13. Expendable Endowment Funds

	2021 Opening £	Expenditure £	Gains £	Transfer £	2021 Closing £
	<u>29,756,867</u>	<u>(162,001)</u>	<u>3,475,865</u>	<u>(468,000)</u>	<u>32,602,731</u>
	2020 Opening £	Expenditure £	Gains £	Transfer £	2020 Closing £
	<u>29,434,190</u>	<u>(150,179)</u>	<u>806,856</u>	<u>(334,000)</u>	<u>29,756,867</u>

Included within the endowment fund balance is a revaluation reserve of £7,364,331 (2020: £4,344,063).

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Analysis of net assets between funds

2021	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	-	-
Investments	4,140,346	-	32,602,731	36,743,077
Current assets	338,174	84,147	-	422,321
Liabilities	(288,373)	-	-	(288,373)
Balance at 31 December 2021	<u>4,190,147</u>	<u>84,147</u>	<u>32,602,731</u>	<u>36,877,025</u>

Analysis of net assets between funds

2020	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible fixed assets	328	-	-	328
Investments	4,165,839	-	29,756,867	33,922,706
Current assets	281,913	121,120	-	403,033
Liabilities	(354,102)	-	-	(354,102)
Balance at 31 December 2020	<u>4,093,978</u>	<u>121,120</u>	<u>29,756,867</u>	<u>33,971,965</u>

15. Related parties

There were no related party transactions except those transactions with the Trustees in note 5 above.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. Limitation of liability

Every member (being the Trustees of the Foundation) guarantees £1 in the event of the Foundation being wound up while they are a member and for the year after they cease to be a member.

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

	2021	2020
	£	£
Net movement in funds	2,905,060	165,055
Add back depreciation charge	328	2,995
Add back Pictet investment manager fee	86,536	78,467
Deduct investment income	(443,085)	(432,551)
Gain on investments	(3,475,865)	(806,856)
(Increase)/decrease in debtors	(1,297)	(779)
Increase/(decrease) in creditors	(65,729)	40,700
Net cash used in operating activities	<u>(994,052)</u>	<u>(952,969)</u>

18. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	387,227	369,236
Cash with investment manager	351,178	247,684
	<u>738,405</u>	<u>616,920</u>

19. Analysis of changes in net debt

	At 1 January 2021	Cashflows	At 31 December 2021
	£	£	£
Cash at bank and in hand	369,236	17,991	387,227
Cash with investment manager	247,684	103,494	351,178
	<u>616,920</u>	<u>121,485</u>	<u>738,405</u>

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Comparative statement of financial activities

	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2020 Total £
Income from				
Investments	432,834	-	-	432,834
Grants	2,091	136,766	-	138,867
Total Income	434,925	136,677	-	571,701
Expenditure on:				
Raising funds	-	-	150,179	150,179
Charitable activities	928,029	135,294	-	1,063,323
Total Expenditure	928,029	135,294	150,179	1,213,502
Net gains on investments	-	-	806,856	806,856
Net (loss)/income for the year	(493,104)	1,482	656,677	165,055
Transfers between funds	334,000	-	(334,000)	-
Net movement in funds	(159,104)	1,482	322,677	165,055

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED

England & Wales - Charity number 1002705

Accounts

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

CONTENTS

	Page
Legal and administrative information	1
Chairman's Report	2
Report of the Trustees	4
Independent auditors' report	12
Statement of financial activities	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees	Mr J Greenwell CBE DL, Chairman (resigned April 2020) Professor N Jackson, Chairman (appointed April 2020) Ms J Baker Mr D Bayliss OBE (resigned April 2020) Mr B Cussons Mr D Hobday Mr S Kollamthodi (appointed September 2020) Mr P Read	
Director	Mr S Gooding CB	
Registered office	Royal Automobile Club Foundation for Motoring Limited 89-91 Pall Mall London SW1Y 5HS	
Company registration number	2596548	
Charity number	1002705	
Independent Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE	
Bankers	National Westminster Bank Plc 208 Piccadilly London W1A 2DG	
Investment Advisors	Barnett Waddingham Cheapside House 138 Cheapside London EC2V 6BW	
Investment Managers	Investec Wealth & Investment 2 Gresham Street London EC2V 7QP	Pictet Asset Management Moor House 120 London Wall London EC2Y 5ET

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

While I was pleased to be invited by the Trustees to accept appointment to become Chair of the Foundation's Trustees from April 2020 in the event the timing proved challenging, coming as it did hard on the heels of the first full coronavirus lockdown.

It meant there was no face-to-face opportunity for me to present a formal vote of thanks to Joe Greenwell, who's decision to stand down as Chair created this opportunity. I think it fair to say that Joe did a tremendous job as Chair, in particular to build the essential relationships throughout the automotive and motoring policy worlds on which the current effectiveness of the Foundation rests. Indeed, Joe was instrumental in bringing me on to the Foundation's Public Policy Committee, affording me perspectives that I might otherwise not have seen, and which I hugely valued. He also led the process to appoint our current Director back in 2015 and ensure a smooth handover of the reins. I know that the Foundation team has missed him, and I can only hope that 2021 will give us the opportunity to recognise his time with the Foundation appropriately.

It similarly stalled our plans to say a similarly fond farewell to David Bayliss as a Trustee. David has long provided wise counsel to the Foundation as well as leading analysis and authoring reports. I was pleased that he agreed to stay on our Public Policy Committee, *ex officio*, as, in common with so many others, we moved the Committee's meetings on-line, and we similarly look forward to having the opportunity to thank him properly for all his work later in 2021.

Meantime the work of the Foundation has carried on, and I have been impressed by the way the team was able swiftly to shift into remote working. Some projects slowed as our contacts were variously diverted and affected by the pandemic, but the Foundation's voice has continued to be heard in the media, at on-line conferences and workshops, and in the many advisory boards and groups in which the Foundation participates, always with the aims of informing the debate on the basis of evidence and analysis, and promoting the case for more extensive interrogation of data.

There are many aspects of the work of the Foundation in 2020 that I could choose to highlight, but I shall reference just three. First, the creative way the team developed an alternative to the annual 'Data, driven' conference, usually hosted in Pall Mall but this year run as a 'pick-and-mix' of twelve short recorded sessions, reflecting interesting developments in the generation, analysis and presentation of motoring-related data. Second, the report published toward the end of the year documenting one of the team's experiences in tackling the wonderfully scenic North Coast 500 route around Scotland's coast by electric car – a new form of report for the Foundation, and one which genuinely brought the challenges and opportunities of electric motoring to life. And third, the regular updating of data series tracking aspects of motoring and roads performance from the price of fuel, through the take-up of electric cars, on to the analysis of motoring offences and from there to the condition of the nation's highway bridges, in each case building a rich picture that allows trends to be traced and projections to be postulated.

The Foundation owes its ability to carry on its work to the generosity of the Royal Automobile Club, whose donation of an endowment in 1998 guarantees the Foundation's independence. I'd like to record my thanks to my colleague Trustees Ben Cussons, Peter Read and Jo Baker for their work on our investment sub-committee to safeguard the Foundation's future financial security, which looked anything but sound as the slide in confidence of Spring 2020 swept across the world's financial markets, but subsequently entered far calmer and more promising waters as markets recovered and confidence in the development and application of a covid vaccine grew. Relations between the Foundation and the Club remain strong.

Thanks are also due to Dave Hobday from the RAC Motoring Services company, who's support for the work of the Foundation has been unstinting and who has helped foster a strong spirit of co-operation between the Foundation team and his company. This is also the moment for me to thank Sujith Kollamthodi, Ricardo's

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**CHAIRMAN'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Sustainable Transport Practice Director, for agreeing to join us as a Trustee in September, and bring his wealth of experience on environmental issues to bear.

And that strikes me as a good note on which to end my report – the Government's decision to bring forward the date from which pure petrol and diesel powered cars can no longer be sold was a hugely significant move, but in its way was just one of many that mean the worlds of motoring and travel are changing, and changing rapidly, in some aspects accelerated by our experiences through successive covid-related lockdowns – so there's much work to be done, and I look forward to the Foundation continuing to play its part in making sure that work is as well-grounded and well-informed as possible.



Professor Neville Jackson
Chairman

....~~28~~ April 2021

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Trustees (who are directors for the purposes of Company law) are pleased to present their annual Trustees' report together with the financial statements of the RAC Foundation for the year ended 31 December 2020. The legal and administrative information on page 1 forms part of this report.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, 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 (FRS 102).

Objectives and activities

The objective of the Foundation is to promote for the public benefit research into the environmental, economic, mobility and safety issues relating to the use of motor vehicles. In practice this means the Foundation seeks to illuminate, inform and influence the debate about roads and road use, taking the perspective of the responsible motorist, with a particular focus on affordable, safe and sustainable mobility.

The Foundation's activities:

- Researching/analysing – the Foundation commissions and disseminates research and analysis from a variety of experts in the academic and consultancy worlds; the staff of the Foundation also conduct research and analysis directly. Material is published on the Foundation's website alongside a limited run of hard-copy documents and disseminated through a variety of media. The annual research programme is reviewed by the Trustees for consistency with the Foundation's charitable purposes. In addition to disseminating the Foundation's own work, we also increasingly aim to help other relevant research material come to the notice of those developing transport policy;
- Commenting/reacting – the Foundation seeks to engage with the issues of the day, insofar as they relate to motoring and road use, in particular drawing on the back catalogue of Foundation research and the expertise and knowledge of Foundation staff to offer an informed perspective. This can involve briefing journalists and appearing in the media, including specialist journals, through to giving evidence e.g. to parliamentary committees; and
- Engaging/debating – the Foundation seeks to make contact and engage with a wide range of organisations active in the development of transport policy and the delivery of transport services at a national and a local level, including the Department for Transport, the Treasury, the Department for the Environment, Farming and Rural Affairs, the Ministry of Housing, Communities and Local Government, Highways England, and with professional bodies and associations such as the Association of Directors of Environment, Economy, Planning and Transport and the Chartered Institute of Highways and Transport. Foundation staff are encouraged to accept invitations to present material at conferences and workshops, join stakeholder groups and sounding boards, and to host and facilitate workshops.

Our ambition is to explore, inform and promote policies that will get people where they need to be, when they need to be there, in safety, affordably, with minimum environmental impact.

In reviewing our objectives and research programme the Trustees confirm that they have regard to the Charity Commission's guidance on public benefit and consider each year how the Foundation meets its public benefit objectives.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Achievements and performance

Twelve months ago, we reported that 2019 had been a challenging year. It would be fair to say that 2020 has been more so, for reasons that will be well understood. Happily, despite the jittery global financial markets of Spring 2020, the Foundation did not need to draw on the Government's furlough scheme, and at year end, as reported below, the endowment is looking reasonably healthy, while Foundation activity was bolstered by the grant support received both from the Department of Transport and from Highways England to explore the business case for a fresh approach to investigating road collisions.

Since the end of March 2020, the Foundation team has been working from home, meeting together in person only once, when government rules allowed. However, despite the difficulties, we are pleased with the way the Foundation managed to continue operating: participating on-line in events and meetings; carrying out and co-ordinating research; contributing to the road transport debate through the press and directly with ministers, civil servants and other stakeholders; turning one of our flagship annual events into an online seminar and thinking creatively about new formats of report, such as the 'Electrifying Journey' one of our colleagues documented of the highs and lows of completing the North Coast 500 route in Scotland in an electric car.

Importantly, the Foundation staff reached the end of the year in as good physical and mental health as could be hoped, given the strictures of Covid-19 and the national response to it. Where required the Foundation spent on the technology needed to support remote working and benefitted from previous investment in, and accommodation of, flexible employment which had already resulted in staff splitting their time between their homes and the office at 89-91 Pall Mall. Huge thanks are due to the IT support team in the Royal Automobile Club for their efforts to keep us connected.

That said, some of our external contractors did suffer from the health and financial impacts of the disease – which meant some projects slowed from their original timescales - though apparently, and thankfully, not to their long-term detriment. Also, as noted below in the Financial Review, as the world's financial markets tumbled when the coronavirus pandemic resulted in widespread lockdowns and travel restrictions, the Trustees decided that the Foundation should take on no new financial commitments until markets stabilised and the future health of the endowment could be assured. Consequently we saw through the projects already underway, and issued no new commissions, save for those forming part of the Road Collision Investigation Project, which is separately grant funded.

In terms of output 2020 was busy from the start, with publications including a report on how in-car technology rather than retesting might help older drivers stay mobile for longer, and a study from one of our recently-appointed in-house analysts highlighting the huge variation in the cost of 'filling up' an electric car depending on where and when it is recharged. Both pieces attracted considerable press interest, which helps in bringing our findings to the attention of those wrestling with future policy options.

Before the first lockdown we also published our now annual study of the state of the nation's road bridges, shining a spotlight not just on their physical standard but also the money required to bring such infrastructure back up to scratch. Pleasingly we received responses to our inquiries from nearly every one of Britain's 200-plus local highways authorities because our work was seen to be carried out in a constructive manner, not in a way which pitted driver against council. Once again the results of the study were widely reported in the national, local and specialist press, and stand as one of the few independent tests of the state of our nation's road network – a canary-in-the-coalmine indicator of the perils should maintenance funding be further constrained.

By the time the pandemic really hit we had also commented on: the confirmation that E10 petrol would be introduced in 2021 (the basis for our reaction here being previous work we had done to assess the number of cars in the vehicle parc which were incompatible with the fuel); the Budget in which fuel duty was frozen yet again; proposals to amend VED to best encourage the take up of electric vehicles; a record number of people being sent

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

on speed awareness courses; and growing concern about the safety of Smart motorways, something which would become a recurring theme during the year.

As Covid-19 came to dominate not just the front pages but the media more generally we were consciously spare with what we put out, well aware that the national attention was not on motoring policy as previously thought of, but on traffic as an indicator of compliance with the lockdown and on road transport and its ability to keep the economy alive. However, as journalists realised that other stories helped make a change, if not exactly light relief, from the pandemic then we had material to feed into those editorial gaps, not least unique in-house analysis, based on MOT data, of how far new cars typically travel each year. The average is 10,377 miles but is as little as 7,490 miles for petrol cars and as much as 12,496 for diesels. For electrics it is 9,435 miles. Important numbers for those trying to assess the likely fuel consumption of the parc as it changes, of concern both for carbon and for the Treasury as fuel duty income starts to ebb away.

As a vocal and longstanding proponent of tighter regulation of the private parking industry we commented more than once on the number of tickets firms were issuing to drivers, including during the start of the pandemic, when hundreds of thousands of tickets were issued even whilst the bulk of the population were isolating at home. However, as with the bridges study mentioned above, our stance is to be a critical friend – to be constructive, hence the Foundation is proactively working with the industry to make things better and at the Ministry of Housing's behest is helping with the job of drafting a new ministerially-sanctioned code of practice to which parking companies must adhere.

In the Summer we were pleased to promote the work of Transport for New Homes – on whose steering board we sit – highlighting the risk of making residents of a new generation of so-called 'garden' towns and villages car dependent. The Foundation has a track record of highlighting the downsides of building in car dependency, whilst noting the benefits that cars still bring. The key, in achieving net zero carbon and improved air quality is in part to be found in technology and in part in enabling people to choose the right mode for the right trip, whether that be a zero-tailpipe emission car, an electric micro-scooter, or a hydrogen-fuelled bus.

Moving towards the end of the year, three things in particular stand out.

First there was Andy Graham's Driven by Information report. So much of the focus on connected and autonomous vehicles has been the prospect of driverless motoring, with the nearer term benefits available from connectivity playing something of a Cinderella role in the background, so much so that little attention had been paid to the steps that would need to be taken to realise them. This piece of research takes four 'use-cases' and maps out in detail the full process that would need to be in place to make them a practical reality, identifies the gaps that emerge, and advocates potential solutions and work-arounds to ensure that data not only flows seamlessly between devices – cars, cameras, phones, sat navs, traffic signals etc ... but allows for that data to be harvested, marshalled and put to beneficial effect.

Second, there was our Data Driven event. In a normal year this would be an in-person seminar where we bring together some of the smartest minds with an interest in the transport data field to share and discuss how the wealth of transport-related information now being generated can be best used to inform development of the policies that will ultimately make our journeys, greener and more reliable. Because of the restrictions on gatherings which were in place we turned the event into an online showcase, recording interviews and presentations with a host of experts and then making them available on our website. Of particular note was the presentation by Dr Robin Lovelace, associate professor of transport data science at the University of Leeds, explaining how the statistical programming language 'R' can be used to build the evidence base from which better road safety policies can be shaped, and introducing the beginner's guide he authored for us which itself is novel in that it contains code that can simply be blocked and copied by those new to the software.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

And third, we prepared for publication our annual analysis of English council parking income and profit. What made this year's work notable was that we completed it in a matter of seconds because we employed an automated script (program) that we had been preparing through the year to take the published government data and turn it into a report complete with tables and commentary. This automation is a natural extension of the work we have previously done to produce interactive and self-updating charts in the data section of our website.

Sadly we were not able to co-host our annual Winter Reception, which we have run jointly with RAC Motoring Services and the Royal Automobile Club for many years. This is usually our opportunity to thank the many people we have worked with throughout the year. We volunteer our thanks to them, nonetheless, and hope that we're able to see them in person in 2021.

For us at the Foundation, as with everyone else in the country, 2020 turned out to be a year of unprecedented upheaval, but it also turned out to be a year where we continued to produce a stream of innovative, well evidenced and, we believe, useful material. We are only too well aware that our ability to do so owes much to the financial stability we enjoy thanks to our endowment, and in writing this report our thoughts are with those for whom, professionally and personally, the year was far, far harder.

Future plans

Through 2020 we have learnt a great deal about how to conduct business remotely, through e-mail and a variety of on-line conferencing sites. This looks set to be an ongoing feature of life for some time to come as the world comes to terms with the existence of the coronavirus (as it has with influenza). While we hope that it will be possible to convene and host in-person events to promote informed debate and facilitate the wider dissemination of research findings, we will also explore the scope for hosting sessions on-line, whilst recognising that this is a crowded field, and many people feel they are already experiencing more than enough screen time.

We will continue to seek out fresh data sets and opportunities to make the most of our internal analytical capability and hope that financial markets continue to recover to the point where we might commission fresh external research. 2021 will also be a year where we plan to make substantial progress in pulling together the strands of the Road Collision Investigation Project.

We will continue to seek opportunities for joint working with other organisations to reach a broader audience, including professional institutions, member organisations and the higher education sector, having added membership of the Electric Vehicle Energy Task Force and the nascent Highways Sector Council to the list of forums we attend. We will continue to invest in the professional development of the Foundation staff, in particular through various on-line training opportunities and conferences.

Financial Review

The work of the Foundation is very largely funded from the return achieved on the investment of the original charitable endowment gifted by the Royal Automobile Club in 1998. This covers the salaries of the Foundation's permanent staff, accommodation and office expenses, and provides a core budget for commissioned research and publications. The Foundation supplements this from time-to-time through joint working with other bodies and, specifically for the Road Collision Investigation Project, with a grant from the Department for Transport, and for the Road Traffic Injury Analytics project with a grant from the FIA, both made in 2018. Further grant funding for the Road Collision Investigation Project came in from Highways England in 2020. The Foundation does not raise money from the public or from its Trustees.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

Consequent on the dramatic fall in global financial markets in the spring of 2020 the Trustees took the prudent decision to place an embargo on the Foundation entering into new financial commitments, and to rein back on in-year spending where possible (largely achieved as a result of our inability to host or attend in-person events).

In the Statement of Financial Activities on page 17, income from half the investment portfolio is received in the form of dividends and interest (£432,834). The rest of the investment portfolio is held in an accumulation fund where dividends etc. are reinvested. Cash withdrawn from this fund is realised through the disposal of units in the accumulation fund and is represented on the Statement of Financial Activities on page 14 as the transfer of £334,000 from the Expendable endowment to the Unrestricted reserves.

The net gain on investments in the year was £806,856 contributing to a total net movement of funds in the year of £165,055.

Expendable endowment fund

This represents the original donation in 1998 at the time the Foundation was established in its current corporate form, as adjusted for subsequent movements in investment values, investment management costs and any expenditure of the endowment. The fund can be retained as capital or disbursed at the Trustees' discretion for any purpose within the Foundation's objects, and at year-end 2020 was valued at £29,756,867, a gain of £322,677 over the year.

Taking one year with another, despite the turbulence in investment markets in 2020 and some continued uncertainty looking ahead, the Trustees are nevertheless content that the value of the expendable endowment is being satisfactorily maintained so as to ensure the long-term viability of the Foundation without the need to seek further charitable donations.

Restricted income fund

This represents funds given for particular purposes within the Foundation's objects and stands at £121,120 (2019: £119,638) at the year end.

Unrestricted income fund

This represents accumulated unspent income and can be used at the Trustees' discretion for any purpose within the Foundation's objects and stands at £4,093,978 at year end.

Reserves and Investment policy

The Trustees' policy is to maintain in the long term the real value of the expendable endowment fund and also to generate sufficient income to cover proposed (budgeted) expenditure in-year.

In 2017 the Trustees, on advice from the Investment Sub-Committee, re-invested the expendable endowment equally between two investment managers: Pictet and Investec Wealth. The aim, in selecting new investment management, was to spread risk in an uncertain investment climate, and to adopt a modest increase in risk appetite in order to achieve a higher return, and thus fund increased Foundation activity.

The Investment Sub-Committee monitors the fund managers' investment performance through the year and reports to the full Trustee meeting which in turn reviews the value of the endowment and the spend profile of the Foundation budget at the regular Trustee meetings.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

The Trustees closely monitored the actions of the two fund managers and drew advice from Barnett Waddingham on their performance relative to the broader market through the turbulence of 2020. On balance they were satisfied that the combined investment performance of the two fund managers was sufficient to support a sustained operating budget for the Foundation through the year.

Rather than earmark a discrete reserve, the Trustees continue to take the view that short term risks to the Foundation budget can be managed by authorising an exceptional drawdown from the expendable endowment. The Foundation's fund managers previously confirmed that they regard this as a manageable approach, consistent with the Trustees' stated investment objectives.

It is possible that the impact of coronavirus may necessitate further action by the Trustees depending on the impact it has on the value of the endowment and income earned in 2021, which in turn will be affected by the pace of economic recovery once the various lockdown measures applied around the world are relaxed.

Structure, governance and management

Governing document

The Royal Automobile Club Foundation for Motoring Limited is a company limited by guarantee, governed by its Memorandum and Articles of Association, incorporated 28 March 1991 as amended 30 March 1999, 31 July 2000 and 27 January 2005. It is registered as a charity with the Charity Commission.

Appointment of Trustees

The Articles of Association prescribe that there shall be a minimum of five Trustees. The Trustees are then collectively responsible for the appointment and reappointment of trustees. Up to four trustee positions may be filled by nominees of the Royal Automobile Club (2) and RAC Motoring Services (2), subject to the approval of the Trustees. The Trustees may nominate one of their number to serve as Chair. The Trustees meet three times a year (April, July and November). While the Articles of Association allow for decisions to be taken on the basis of a majority vote in a quorate meeting, in practice all Trustees' decisions have been unanimous.

At their April 2020 meeting the Trustees welcomed Professor Neville Jackson as Chair of trustees taking the place of Joe Greenwell, who was standing down – Professor Jackson having been duly elected at the November 2019 meeting. At the September meeting the Trustees voted to appoint Sujith Kollamthodi to serve as a Trustee and succeed David Bayliss who stood down as a trustee in April 2020.

With the approval of the Trustees, as cleared with the Charity Commission, the Chairman receives £30,000 fees per annum for advisory services. Also with the approval of Trustees, David Bayliss undertook remunerated research work for the Foundation, invoiced by the day at an agreed daily rate, totalling £5,250 in 2020.

The Foundation's pay policy for staff is approved as part of the annual budget setting process in November each year. The Trustees separately consider and decide the Director's remuneration and bonus entitlement.

The Investment Sub-Committee comprises Ben Cussons (Chair), Jo Baker and Peter Read, with the Foundation's director as secretary, and is advised by Barnett Waddingham.

The Trustees are assisted in the discharge of their duties by a 'Public Policy Committee' (PPC) – comprising the Trustees and members who the Trustees have appointed in recognition of the perspectives and expertise they can offer on motoring and road policy. PPC members receive no remuneration. The PPC meets four times a year.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

A system is in place to alert Trustees of the Foundation to their legal responsibilities and to ensure that they are eligible to act in such capacity. New Trustees are briefed on their roles as Trustees and asked to sign various proformas to draw their attention to their duty to comply with charity and company law and to act in the interests of the Foundation even when this may conflict with personal or other interests. Induction sessions are held to inform Trustees of the scope, objects and activities of the Foundation.

Office administration

The Foundation contracts with the Royal Automobile Club for the provision of office accommodation, IT support, payroll management and BACS. The Club also affords the Foundation the equivalent of corporate membership, through which the Foundation is able to book the Club's conference and catering facilities, which are then recharged at the Club's standard rates.

Risk Management

The Trustees reviewed the Foundation risk register which the Director updated and presented to each of the Trustee meetings through 2020. The register highlights five key risks and associated mitigations (reputational risk e.g. arising from challenge to the accuracy of Foundation output); staff turnover; financial viability; interruption of service e.g. IT system failure; and relevance of Foundation output.

The Foundation opened an on-line business banking account in May 2020 in order to be able to work wholly remotely, and put in place appropriate 'dual approval' arrangements for authorising payments either from the on-line bank or through the Club finance team.

Looking ahead, business continuity risk looms large as a result of coronavirus. The Foundation team is relatively well-placed to work remotely, and the analytical interrogation of data is well-suited to remote working, but there are challenges, including the fact that the team is small and the fixed-term contract of one of the analytical team ends in the Autumn of 2021.

Related parties and co-operation with other organisations

The Foundation maintains a register of potential conflicts of interest of the Trustees. No funds were held by the Foundation as a custodian trustee on behalf of others.

The Foundation has worked in partnership with various other bodies to run events during the year, including Highways UK and PA Consulting.

Despite the historical association between the Royal Automobile Club, the RAC Motoring Services Company and the Foundation – and the fact that the three seek to co-operate with each other (e.g. in sharing data and providing input to the Club's Motoring Committee) the Trustees do not consider either the Royal Automobile Club or the RAC Motoring Services business to constitute 'related parties' for accounting purposes.

Trustees' Responsibilities Statement

The Foundation Trustees (who are also the directors of the Royal Automobile Club Foundation for Motoring Limited for the purposes of company law) are responsible for preparing a Report of the Trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2020**

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our Trustees' annual report:

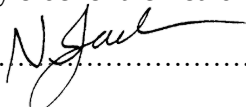
- there is no relevant information of which the charitable company's auditor is unaware, and
- the Trustees have each taken all steps that they are obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Saffery Champness LLP as auditors to the Foundation will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board of Trustees


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**Neville Jackson
Chairman**

.....28 April.....2021

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of Royal Automobile Club Foundation for Motoring Limited for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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 charitable company's state of affairs as at 31 December 2020 and of its 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 Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 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 to take advantage of the small companies exemption in preparing the Report of the Trustees and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 10 and 11, the Trustees (who are also 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 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 charitable company or to cease operations, or have no realistic alternative to do so.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with management and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

Use of our report

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



.....
Liz Hazell (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP
Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date: 17 May 2021.

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2020 Total £	2019 Total £
Income from						
Investments	2	432,834	-	-	432,834	571,122
Grants		2,091	136,776	-	138,867	-
Total Income		434,925	136,776	-	571,701	571,122
Expenditure on:						
Raising funds		-	-	150,179	150,179	154,595
Charitable activities	3	928,029	135,294	-	1,063,323	1,283,542
Total Expenditure		928,029	135,294	150,179	1,213,502	1,438,137
Net gain on investments	8	-	-	806,856	806,856	3,134,952
Net (deficit)/income for the year		(493,104)	1,482	656,677	165,055	2,267,937
Transfers between funds	11	334,000	-	(334,000)	-	-
Net movement in funds		(159,104)	1,482	322,677	165,055	2,267,937
Reconciliation of funds:						
Total funds brought forward		4,253,082	119,638	29,434,190	33,806,910	31,538,973
Total funds carried forward		4,093,978	121,120	29,756,867	33,971,965	33,806,910

The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources derive from continuing activities.

The notes on pages 19 to 29 form part of these financial statements.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**BALANCE SHEET
31 DECEMBER 2020**

	Note	2020 £	2019 £
Fixed Assets			
Tangible fixed assets	7	328	3,323
Investments	8	<u>33,922,706</u>	<u>33,752,868</u>
		33,923,034	33,756,191
Current Assets			
Debtors	9	33,797	33,018
Cash at bank and in hand		<u>369,236</u>	<u>331,103</u>
		403,033	364,121
Creditors: Amounts falling due within one year	10	<u>(354,102)</u>	<u>(313,402)</u>
Net current assets		48,931	50,719
Net Assets		<u>33,971,965</u>	<u>33,806,910</u>
Funds			
Unrestricted funds	11	4,093,978	4,253,082
Restricted funds	12	121,120	119,638
Expendable endowment funds	13	<u>29,756,867</u>	<u>29,434,190</u>
		<u>33,971,965</u>	<u>33,806,910</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 19 to 29 form part of these financial statements.

The financial statements were approved by the Trustees on *28 April* 2021


.....
N Jackson
Chairman


.....
B Cussons
Trustee

Company Registration No. 2596548 (England and Wales)

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Net cash used in operating activities	17	(1,031,719)	(1,448,759)
<u>Cash flows from investing activities</u>			
Purchases of investments		(2,675,514)	(2,518,577)
Proceeds from disposal of investments		3,036,081	2,595,423
Change in investment cash		(57,549)	18,778
Investment income received		432,834	571,122
Withdrawal from endowment		334,000	600,000
Net cash from investing activities		<u>1,069,852</u>	<u>1,266,746</u>
Net increase in cash & cash equivalents		38,133	(182,013)
Cash and cash equivalents at the beginning of the year		<u>331,103</u>	<u>513,116</u>
Cash and cash equivalents at end of the year	17,18	<u><u>369,236</u></u>	<u><u>331,103</u></u>

The notes on pages 19 to 29 form part of these financial statements.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

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

1. Accounting convention

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The Foundation's operational and functional currency is pounds sterling.

Based on the value of the expendable endowment funds, the Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern.

1.1. Income

Investment income is accounted for on a receivable basis.

Grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

1.2. Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of VAT which cannot be recovered. Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising investment income. Other direct, support and governance costs are allocated to charitable activities as they are incurred.

1.3. Tangible fixed assets and depreciation

Items purchased are capitalised when they cost over £1,000 and have ongoing value to the Foundation.

Depreciation is provided at the following rates to write off the cost of each asset over its expected useful life:

Office equipment - 3 to 10 years

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

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

1.4. Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

1.5. Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

1.6. Funds

Expendable endowment fund (see note 13)

This represents the original donation in 1998 at the time the Foundation was set up, as adjusted for subsequent movements in investment values, investment management costs and any expenditure of the endowment. This fund can be retained as capital or used at the Trustees' discretion for any purpose within the Foundation's objects.

Unrestricted income fund

This represents accumulated unspent income and can be used at the Trustees' discretion for any purpose within the Foundation's objects.

Restricted income fund

This represents grant income received for specific projects.

1.7. Pensions

Retirement benefits to employees are funded by contributions from both the Foundation and employees, administered through the Royal Automobile Club pension scheme; a multi-employer scheme. Contributions to the scheme are on a defined contribution basis, and are charged to the Statement of Financial Activities in the year in which they are incurred.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

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

1.8. Financial instruments

The Foundation has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost. For debt instruments this is calculated using the effective interest rate method.

1.9. Critical estimate and judgements and key sources of estimation uncertainty

In the application of the Foundation's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The Trustees consider that there are no areas of estimation uncertainty, and no critical estimates were required to prepare the financial statements.

2. Investment income	2020	2019
	£	£
Dividends and interest receivable on fixed asset investments	432,551	570,559
Bank interest receivable	283	563
	<u>432,834</u>	<u>571,122</u>
3. Charitable activities	Total	Total
	2020	2019
	£	£
Staff Costs	539,226	465,167
Direct Costs	276,927	549,990
Support Costs	241,020	262,235
Governance costs (note 4)	6,150	6,150
	<u>1,063,323</u>	<u>1,283,542</u>
4. Governance costs	2020	2019
	£	£
Audit fees	<u>6,150</u>	<u>6,150</u>

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

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

5. Staff costs and advisor fees	2020	2019
	£	£
Wages and salaries	470,613	397,056
Social security costs	53,179	45,024
Employer's pension costs	15,434	23,087
	<u>539,226</u>	<u>465,167</u>
Number of employees with total remuneration between:	2020	2019
	Number	Number
£60,000 - £69,999	-	1
£70,000 - £79,999	2	-
£160,000 - £169,999	-	1
£180,000 - £189,999	<u>1</u>	<u>-</u>

Contributions of £13,060 (2019: £7,357) were made to the group personal pension scheme on behalf of the highest paid employees.

The following trustees have been paid these amounts in respect of specialist advisor fees:

	2020	2019
	£	£
David Bayliss	5,250	12,600
Joe Greenwell	9,000	36,000
Neville Jackson	22,500	-

At 31 December 2020 there was £7,500 owing to Neville Jackson in respect of the above (2019: £18,000 owed to Joe Greenwell).

No expenses were either reimbursed to, or paid directly on behalf of Trustees during the year (2019: no expenses).

The key management personnel of the Foundation comprise the Trustees and the Director. The total employment benefits of the key management personnel, including any relevant pension contributions, but excluding payments made to specialist advisors noted above, were £209,522 (2019: £188,862).

Staff numbers

The average number of full-time equivalent employees during the year was made up as follows:

	2020	2019
	Number	Number
Director	1	1
Campaigns and research	<u>6</u>	<u>6</u>
	<u>7</u>	<u>7</u>

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

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

6.	Net movement in funds for the year	2020	2019
		£	£
	This is stated after charging:		
	Depreciation	2,995	4,560
	Auditors' remuneration - for audit	6,150	6,150
		<u>6,150</u>	<u>6,150</u>
7.	Tangible fixed assets		Office equipment
			£
	Cost		
	At 1 January and 31 December 2020		33,698
	Depreciation		
	Brought forward 1 January 2020		30,375
	Charge for year		2,995
	Carried forward 31 December 2020		<u>33,370</u>
	Net book value		
	as at 31 December 2020		<u>328</u>
	as at 31 December 2019		<u>3,323</u>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)

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

8. Investments	2020	2019
	£	£
Managed and unitised funds		
Market value at 1 January	33,562,730	31,313,540
Additions at cost	2,675,514	2,518,577
Disposals	(3,036,081)	(2,595,423)
Investment (loss)/gains	806,856	3,134,952
Withdrawal from endowment portfolio	(334,000)	(600,000)
Market value at 31 December	33,675,019	33,562,730
Investment cash	247,687	190,138
Total Investments as at 31 December	33,922,706	33,752,868
Historical cost	29,578,643	30,639,013

All investments are carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value, using the bid price.

	2020		2019	
	Cost	Market Value	Cost	Market Value
	£	£	£	£
Fixed Interest				
United Kingdom	2,347,269	2,368,052	2,313,342	2,290,331
Overseas	306,981	314,505	402,620	382,680
Equities				
United Kingdom	4,486,895	4,952,196	5,230,713	6,075,983
Continental Europe	672,591	973,050	710,564	862,935
North America	2,663,519	3,579,795	2,494,377	3,126,329
Japan	348,530	392,640	497,633	526,758
Far East	577,849	893,362	577,849	651,965
Global	493,189	569,727	326,501	416,198
Emerging Economies	288,753	352,578	294,140	327,600
Property	1,222,455	1,253,485	1,434,142	1,540,650
Alternatives	15,922,925	18,025,629	16,166,994	17,361,301
Cash	247,687	247,687	190,138	190,138
Total	29,578,643	33,922,706	30,639,013	33,752,868

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

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

9. Debtors	2020	2019
	£	£
Interest and dividends receivable	23,957	24,099
Prepayments	9,840	8,919
	<u>33,797</u>	<u>33,018</u>

10. Creditors	2020	2019
	£	£
Accruals and other creditors	354,102	313,402
	<u>354,102</u>	<u>313,402</u>

11. Unrestricted Funds	2020	Income	Expenditure	Transfer	2020
	Opening	£	£	£	Closing
	£	£	£	£	£
Unrestricted Funds	<u>4,253,082</u>	<u>434,925</u>	<u>(928,029)</u>	<u>334,000</u>	<u>4,093,978</u>
	2019	Income	Expenditure	Transfer	2019
	Opening	£	£	£	Closing
	£	£	£	£	£
Unrestricted Funds	<u>4,005,140</u>	<u>571,122</u>	<u>(923,180)</u>	<u>600,000</u>	<u>4,253,082</u>

The transfer from the expendable endowment funds represents monies drawn down from an accumulating investment fund held as part of the Foundation's investment portfolio.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

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

12. Restricted Funds	2020 Opening £	Income £	Expenditure £	Transfer £	2020 Closing £
Road Collision fund	119,638	125,000	(123,518)	-	121,120
Pre-driver Theatre and Workshop fund	-	11,776	(11,776)	-	-
	<u>119,638</u>	<u>136,776</u>	<u>(135,294)</u>	<u>-</u>	<u>121,120</u>
	2019 Opening £	Income £	Expenditure £	Transfer £	2019 Closing £
Road Collision fund	<u>480,000</u>	<u>-</u>	<u>(360,362)</u>	<u>-</u>	<u>119,638</u>

The Road Collision fund represents money received to explore the business case for improving the investigation of road crashes, in particular working with volunteer police forces to revisit the material available in police records.

13. Expendable Endowment Funds	2020 Opening £	Income £	Expenditure £	Transfer £	2020 Closing £
	<u>29,434,190</u>	<u>806,856</u>	<u>(150,179)</u>	<u>(334,000)</u>	<u>29,756,867</u>
	2019 Opening £	Income £	Expenditure £	Transfer £	2019 Closing £
	<u>27,053,833</u>	<u>3,134,952</u>	<u>(194,595)</u>	<u>(600,000)</u>	<u>29,434,190</u>

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

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

14. Analysis of net assets between funds

2020	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible fixed assets	328	-	-	328
Investments	4,165,839	-	29,756,867	33,922,706
Current assets	281,913	121,120	-	403,033
Liabilities	(354,102)	-	-	(354,102)
Balance at 31 December 2020	<u>4,093,978</u>	<u>121,120</u>	<u>29,756,867</u>	<u>33,971,965</u>

Analysis of net assets between funds

2019	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible fixed assets	3,322	-	-	3,323
Investments	4,318,678	-	29,434,190	33,752,868
Current assets	244,483	119,638	-	364,121
Liabilities	(313,402)	-	-	(313,402)
Balance at 31 December 2019	<u>4,253,082</u>	<u>119,638</u>	<u>29,434,190</u>	<u>33,806,910</u>

15. Related parties

There were no related party transactions except those transactions with the Trustees in note 5 above.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

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

16. Limitation of liability

Every member (being the Trustees of the Foundation) guarantees £1 in the event of the Foundation being wound up while they are a member and for the year after they cease to be a member.

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

	2020	2019
	£	£
Net movement in funds	165,055	2,267,937
Add back depreciation charge	2,995	4,560
Deduct investment income	(432,834)	(571,122)
Loss/(gain) on investments	(806,856)	(3,134,952)
(Increase)/decrease in debtors	(779)	(7,062)
Increase/(decrease) in creditors	40,700	(8,120)
Net cash used in operating activities	<u>(1,031,719)</u>	<u>(1,448,759)</u>

18. Analysis of cash and cash equivalents

	2020	2019
	£	£
Cash at bank and in hand	<u>369,236</u>	<u>331,103</u>
	<u>369,236</u>	<u>331,103</u>

19. Analysis of changes in net debt

	At 1 January 2020	Cashflows	At 31 December 2020
	£	£	£
Cash at bank and in hand	<u>331,103</u>	<u>38,133</u>	<u>369,236</u>
	<u>331,103</u>	<u>38,133</u>	<u>369,236</u>

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

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

20. Comparative statement of financial activities

	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2019 Total £
Income from				
Investments	571,122	-	-	571,122
Total Income	571,122	-	-	571,122
Expenditure on:				
Raising funds	-	-	154,595	154,595
Charitable activities	923,180	360,362	-	1,283,542
Total Expenditure	923,180	360,362	154,595	1,438,137
Net gains on investments	-	-	3,134,952	3,134,952
Net (loss)/income for the year	(352,058)	(360,362)	2,980,357	2,267,937
Transfers between funds	600,000	-	(600,000)	-
Net movement in funds	247,942	(360,362)	2,380,357	2,267,937