

Racing to School
(a company limited by guarantee)

Annual report

Registered charity number 1040590

Registered number 2958174

31 December 2020

Contents

Page

1	Structure, governance and management
3	Report of the Trustees
12	Statement of Trustees' responsibilities
13	Report of the independent auditors to the members of Racing to School
16	Statement of financial activities
17	Balance sheet
18	Notes

Structure, governance and management

Racing to School is a company limited by guarantee under a Memorandum of Association dated 12 August 1994 (Registered company no: 02958174). Racing to School is also a registered charity (Registered charity no: 1040590).

All Trustees as at 31st December 2020, who are members of the company, have undertaken to contribute a sum not exceeding £1 each to meet the liabilities of the company in the event that it is wound up.

Members

The Membership of the Company was increased in September 2016 by two to allow for up to ten persons in total, appointed in accordance with the following provisions:

- a) One person shall be appointed by each of the bodies noted below (provided that the persons appointed shall not be an employee of the body which appoints them) (Article 5a):
 - the British Horseracing Authority
 - the Racecourse Association
 - the Horsemen's Group
- b) Up to seven co-opted members shall be appointed by the board (Article 5b)
- c) Members shall be appointed for a period of up to three years, and upon expiry of such period shall be eligible for re-appointment upon the same terms by the body which appointed them (in the case of members appointed under Article 5a) or by the Board (in the case of members appointed under Article 5b). Members who are not so re-appointed, or who are disqualified as members under Article 8, shall be replaced by the respective appointing body. Members who are also directors shall not be entitled to vote at Board meetings in relation to their own re-appointment under Article 5b

All newly appointed Trustees undergo an induction programme and receive a Trustee Handbook.

Trustees and directors

The Trustees of the charitable company are also the Directors of the company for the purpose of the Companies Act 2006. The Memorandum of Association states that certain organisations must be represented on the Board. These organisations put forward possible candidates to the Chairman of the board who are then elected, if appropriate.

The Trustees of Racing to School between 1 January 2020 and 31 December 2020 were as follows:

	Organisation	Date of appointment	Date of resignation
Michael Andrews (Chairman)	Independent Trustee	30 May 2017	
Nick Attenborough	Independent Trustee	13 October 2015	
John Baker	Independent Trustee	21 September 2020	
Anna Lisa Balding	Independent Trustee	2 December 2020	
Paul Brewster	Independent Trustee	25 March 2019	
Jayne Greenman	Racecourse Association	30 November 2017	1 December 2020
Jacqueline Greet	Racecourse Association	2 December 2020	
Andrew Merriam	British Horseracing Authority	22 February 2017	
Kevin Parsons	Horsemen's Group	26 June 2018	
Clive Wisby	Independent Trustee	30 May 2017	

Day to day management of the charity is delegated to the Chief Executive, John Blake.

Registered address

75 High Holborn
London
WC1V 6LS

Professional advisers

Bankers

Weatherbys Bank
Sanders Road
Wellingborough
Northamptonshire
NN8 4BX

Solicitors

Royds Withy King
Cross Keys House
27 The Parade
Marlborough
SN8 1NE

Auditors

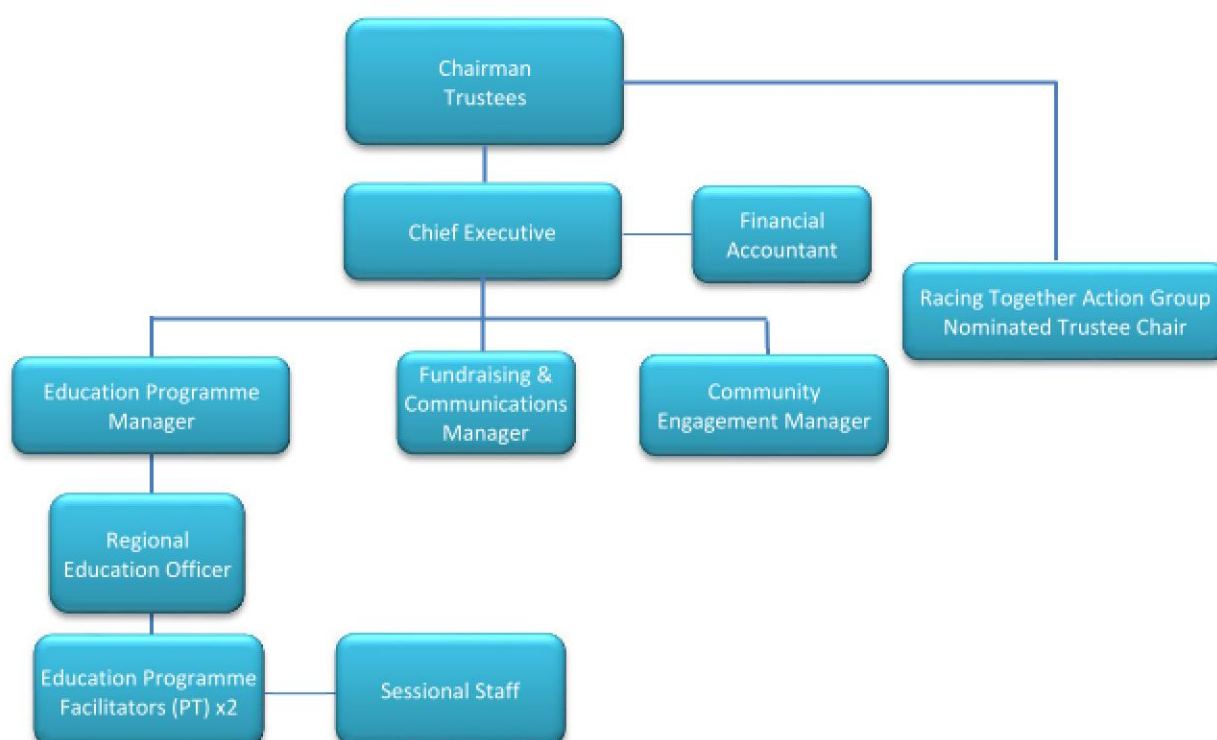
James Cowper Kreston
2 Communications Road
Greenham Business Park
Greenham
Newbury
Berkshire
RG19 6AB

Report of the Trustees

for the year ended 31 December 2020

The Trustees present their report and the audited financial statements for the year ended 31 December 2020. The annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Organisational structure



The Trustees make policy decisions, review and formulate strategic objectives, identify, evaluate and manage risks to the charity and are responsible for the overall financial policy and approval of an annual budget. All expenditure is authorised by the Chief Executive and/or Financial Accountant in line with the annual budget approved by the Trustees. Any extraordinary items are submitted for Trustee approval.

Remuneration policy

The Trustees are responsible for the charity's pay policy as well as deciding on the salary of the Chief Executive. In setting the overall pay levels for staff, Racing to School considers the prevailing pay practice in the wider economy, uses comparable benchmarking and takes external counsel from the British Horseracing Authority.

Restrictions on operations and investment powers

There are no material restrictions on the operations and investment powers of the charity in pursuance of its charitable obligations.

Related Parties

Related party associations with the British Horseracing Authority, The Horsemen's Group and The Racecourse Association arise through the appointment of nominated representatives under Racing to School Memorandum and Articles of Association. Any transactions arising between these entities and Racing to School are disclosed in the notes to the accounts.

Risk

At quarterly Trustees' meetings, the Trustees actively review the major risks which the charity faces. These include: Governance and Management, Operational, Environmental (external factors), Compliance and Financial. The Trustees appraise potential risk factors on 'seriousness of risk' and 'likelihood of risk'. The key risk faced by the Charity is a general economic downturn, specifically its impact across the sport of horseracing, which would make fundraising difficult. The Trustees believe maintaining an 'adequate' level of reserves, combined with planned reviews of controls over key systems, will provide enough resource in the event of adverse conditions. Health and safety of the children attending education days is also an area of risk, which the Charity mitigates against by having stringent risk assessment procedures in place. The controls over the key systems have operated effectively throughout the year.

Objectives and activities for the public benefit

Objectives

The objectives for which the charitable company is established are:

To advance the education of the public in the subject of horseracing and thoroughbred breeding including by way of designing, developing and delivering education and training courses; promoting and advancing vocational education, training, volunteering, well-being, employability and community engagement programmes (in each such case for charitable purposes).

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities.

To help Racing to School achieve its mission the following strategic objectives were determined as the main targets in 2020:

- To continually develop, implement and evaluate – internally and externally - education programmes for the benefit of an increasing number of young people in the racing and thoroughbred breeding sector.
- To financially support existing and new programmes in line with its charitable objectives.
- To further assimilate and develop the leadership role of Racing Together across and beyond racing.
- To maximise resources and operate as a quality employer and encourage best practice.

The priorities identified to achieve these objectives included:

- To deliver Racing to School Programmes that give a wide cross-section of young people nationwide an opportunity to enhance their school studies and knowledge about the sport as an employer through active, outdoor learning about the racing and breeding industries.
- To work with appropriate Trustees to review the design and delivery of the programmes.
- To continue to invest in a small fundraising function to help secure funds within and outside the industry in support of the delivery of Education and Career-focussed Programmes.
- To work alongside stakeholders and other relevant bodies to develop Racing Together's contribution to the sport and its leadership in growing community activity.

- To improve communication channels to raise awareness of the charity's work and impact, and its case for support.
- To maintain professional and experienced financial, HR and, as applicable, legal support through an agreed Memorandum of Understanding with the British Horseracing Authority.

Principal activities

The charity delivered two Education Programmes in 2020, the core activity days for schools and the Riders' Programme, focused more on the sport's career opportunities. The charity set a target of working with 15,500 beneficiaries across all programmes, within 388 events. As a result of the Covid-19 crisis all programmes were suspended in mid-March, with some activity recommencing in July through the charity's work with Pony Club camps to provide events in a safe environment. In late September, the charity trialled two non-raceday programme events at Newbury racecourse with additional safety measures and higher staff to pupil ratios. The adapted programme was well received by participants and the racecourse and 20 additional events across different programmes and locations were delivered in the autumn, plus some remote activity. By year-end the charity reported 117 events had taken place, which is 30% of the year's target. A total of 4,444 young people were engaged, which was just under 30% of the year's plan.

Public Benefit

Access to participation in the Racing to School education programme is unrestricted within the budgeted resources of the charity and is delivered nationally. The programme encourages and sets targets for participation from schools in inner city, deprived and disadvantaged areas, including provision for pupils with special educational needs within mainstream and special schools. Benefits arising from participation are many and diverse, including specific help with relevant curriculum subjects, increased motivation, raised levels of understanding through enriched studies, support to young people's social and emotional education and informed access to the range, associated training routes and guidance to career opportunities within the thoroughbred racing and breeding industry.

Strategic report

Trustee Board and Staffing

At the end of 2020, the Trustee Board numbered eight members, with one nominated member, Jayne Greenman standing down at the end of her first term of three years in December. The designated body, the Racecourse Association nominated Jacqui Greet (Corporate Social Responsibility Manager at Ascot racecourse) as a replacement. John Baker (formerly Managing Director at Aintree Racecourse) joined the Board as an Independent Member, attending the December meeting.

The Board agreed in December the appointment of Anna Lisa Balding as an independent Trustee, which increases the Membership to nine, within a maximum of 10. Appointments were made in line with the charity's needs and against a skills matrix.

Appropriate guidance and updates were given to the Trustees in terms of their duties and the expectations upon them in their role from the Charity Commission. Trustees and Staff were provided with relevant training, including a new mandatory provision for safeguarding in line with British Horseracing Authority (BHA) guidelines.

New and existing Trustees were asked to undertake a skills audit, as part of the process to identify key areas that might strengthen the board and inform recruitment, as required.

All full-time and part-time staff roles remained as in previous years. At the end of the year, the Fundraising and Communications Manager accepted another role in racing and a recruitment process commenced for a replacement. A review of resource needs for Racing Together was undertaken to assess the feasibility of a new part-time role in 2021.

The charity utilised the Government's Job Retention Scheme, as appropriate, to furlough permanent and sessional staff, either on a full or part-time basis within the guidelines set out for the schemes offered. These decisions were taken in line with the resource needs for programme management and delivery.

The charity continues to benefit greatly from having access to support from the BHA's Finance and People and Culture teams.

Communications and Donor Management

Racing to School increased its resources in 2020 to offer online activities to young people who were out of school during the pandemic. A series of animated films were created online, centred on the Education Programme's learning materials. These resources were promoted by some of the charity's Ambassadors. Similarly, a range of remote learning sessions was organised for some beneficiary groups and both websites were further developed – for both the education programmes and community engagement activities – with more content and resources for beneficiaries and supporters.

With the support of a grant from The Racing Foundation, the charity has now fully implemented a new CRM system that supports all fundraising, programme planning and management information activities. This system has been fully adopted by all staff and its benefits are being demonstrated.

Education Programmes

The free and unique Racing to School education programme (made possible through generous donations) came to a hard stop in mid-March owing to the pandemic and in line with Government restrictions. The charity was able to deliver a range of events in the first quarter of the year but the last traditional raceday model for 2020 was held on March 16th.

The aims of the Racing to School education programme in 2020 were to:

- Deliver a positive impact on young people's learning, helping them to develop their knowledge, skills, confidence and interest
- Increase young people's enthusiasm for and understanding of the racing and breeding industries
- Improve young people's awareness of and interest in employment opportunities available within both industries
- Evaluate The Riders' Programmes
- Support the industry's role in driving social benefits within local communities and with opinion-formers and influencers across Britain.

All of the primary aims and objectives that were set out for the Education Programmes in 2020 were achieved within the truncated schedule. The charity was unable to meet its participant target for the reasons stated. Within this limited period of activity, however, each of key participant measurements was met, so too the expectations of teachers in terms of organisation, content and delivery of the programme. It is pleasing to report once again that 100% of the polled teachers and teachers' assistants agreed that they would be interested in future events provided by Racing to School.

Racing to School maintained a strong working relationship with the industry's careers programme – Careers in Racing - and provided increased awareness of career opportunities within racing for many young people.

Tracking participants in the Programmes remains a long-term goal, as a way of measuring impact in relation to recruits to training and future employees across the industry. The charity has established links with several industry employers and educational institutions as part of this process, which increased during the year.

The Riders' Programme has become established within the charity since its successful completion of a pilot scheme in 2017. This programme is designed to connect racing with those young people who already have an association with equines – either through Pony Club membership or enrolment in an Equine College. The activity provides them with a unique insight into the sport and the breadth of its career opportunities. By year end, 38 of the planned 68 events had been achieved – split as 17 days with Pony Club members and 21 run for students attending Equine Colleges. Following the resumption of the Riders' Programme in the Summer, we were able to support the Pony Racing Authority's delivery of their Training Day programme.

The overall Programme was supported through part of a three-year funding commitment from The Racing Foundation.

Beacon Programmes

The Aintree Beacon Programme run by Racing to School is a collaborative programme with Aintree Racecourse and Equestrian Centre that began in 2015. For two years it engaged 10 Primary schools and one Secondary in the local region. The Programme underwent independent evaluation, published in July 2017.

The Racing Foundation supported the initial two-year Beacon Pilot and has also assisted with continuation funding. The sixth year of the Programme commenced in 2020 with planned engagement of 1,300 pupils across one High School and four associated Primary Schools.

The Programme format maintains educational activities that use the context of racing and the facilities of the racecourse and the equestrian centre to cover a range of activities. Included within the Programme are introductory pony handling and riding sessions; demonstrations of horse welfare; a focus on supporting the school curriculum; development of young people's employability skills; an introduction to equine and racing industry careers opportunities and the offer of some work experience placements.

The team was able to resume partial in-school and racecourse activity in support of the Aintree Beacon in the final quarter of the year. Rearranged Pony Education Day visits to Aintree for two of the Primary Schools were delivered in mid-December.

The planned Careers convention, which usually takes place in November (and involves pupils in Y9 – Y13) was cancelled; the 2021 summer term Y10 Work Experience placements have also been lost.

The Newmarket Academy Godolphin Beacon Project is delivered by Racing to School and encompasses a range of events, focusing approximately 29 events across all Year groups of the one High School in the racing centre of Newmarket. The school's 500 pupils will engage in activity days aimed at supporting learning, employability and aspirations, through the opportunities and connections of racing within the town. The fourth of an initial five-year Programme, kindly supported by global racing and breeding operation, Godolphin, was badly disrupted by the pandemic, with online events planned and others rolled forward into 2021.

Additional Projects

The charity manages the delivery of the Newmarket Primary School Programme – Under Starters Orders – and Dubai Future Champions Education Week (DFCEW in October - focuses on Newmarket Academy's engagement with week-long activities related to racing). Both programmes were cancelled with plans discussed to postpone DFCEW until the summer of 2021. These programmes are kindly funded by Newmarket Racecourse and Jockey Club Estates.

The collaboration with the Young Gamers & Gamblers Education Trust (YGAM) continued with two sessions in early March with Year 9 pupils at Maricourt High School (the secondary school engaged in the Aintree Beacon). The interactive sessions support learning around safe internet use and related harms. This event was regarded as a success by participants and the school and another session has been requested for 2021.

In support of this work, Racing to School originated a first eLearning module for the industry centred on safer gambling and gambling-related harms. Some of the charity's staff also underwent relevant online training with YGAM.

The charity continued to develop its Ambassador Programme to offer additional profile and support. Racing to School is privileged to have the recognition of a diverse and committed group of Ambassadors from across the sport and during the year, Flat jockey Hollie Doyle and National Hunt rider, Jonjo O'Neill Jnr agreed to take on the role.

Racing to School's programmes could not operate, or be fully effective, without the collaboration, goodwill and enthusiastic participation of industry partners, in particular racecourses. The charity is pleased, therefore, to support complementary events for partners, such as racecourse family days and open days, but this was not possible during the pandemic.

Racing Together

Racing to School took over the practical leadership of the Racing Together partnership in 2017 with the commitment from the BHA to provide funding for resource and associated activity for an initial period of three years, ending February 2020. The Horserace Betting Levy Board has since funded the initiative on an annual Grant basis, at the same level as the BHA funding for the remainder of 2020.

Racing Together is the racing industry's community engagement and education initiative, comprising of a range of activity by various charitable and commercial organisations – within and outside the sport – that use their resources to benefit others through racing. The initiative is an important focal point for the sport's multifaceted interactions with its communities and, as such, is charged with providing regular communications on work undertaken, so too with instigating and sharing ideas and contacts. The role of the dedicated Community Engagement Manager reports directly to the charity's Chief Executive and is responsible for day-to-day activity, including the secretariat function of the Racing Together Action Group. The Group's meetings were curtailed in 2020 owing to the varying restrictions of COVID-19 but regular updates were provided to these members and a range of other stakeholders. The Group was Chaired by former Trustee, Morag Gray, as nominated by the Board and reports to them through the Executive reports.

Strategic Objectives were carried forward into 2020, namely to focus on raising the profile of Racing Together through growing the membership of the Action Group and its alignment with sport-wide activities. Growing the independent website and communication channels was also a key aim, so too supporting the industry's efforts to recruit and train volunteers, through a recruitment hub and eLearning module.

Understanding Community Activity

Racing Together designed and launched an industry eLearning course, 'The Role and Purpose of Community Engagement in British Horseracing' and invited industry bodies and stakeholders to include the module in their induction packs for new starters. The course had been completed over 100 times since its launch.

Measuring Community Activity

Racing Together in 2020 coordinated the largest survey of community engagement and education activity across the sport, leading to the launch of a first online Directory of programmes and initiatives in November, in partnership with the Racing Foundation and Godolphin. The Directory is housed within the Racing Together website. A report was produced, as well as data analysis which has informed a number of industry recommendations. The intention is to repeat the survey every 18 months. The Directory has had over 6,000 views since launch.

Racing Together was a contributing member of a UK Steering Group for education and community engagement initiated and assembled by Godolphin; this was followed by their origination of an international group, Together for Racing International (TfRI) that is supported by Godolphin staff in the major racing jurisdictions. Both groups are established to further share knowledge across the industry.

Racing's National Day of Volunteering

Following a record 2019 Racing Together Community day, which engaged employee volunteering across the sport, the 2020 renewal was another event to be cancelled owing to Covid. The 2021 event is likely to take place in September, if the Government's strategic timetable is met.

The Racing Together Masterclass was another event that was postponed; an inspiring line-up of speakers was scheduled for a full-day event at Ascot exploring growing community and education activity in British racing, in partnership with the Racecourse Association. This event will be reinstated when appropriate.

Important Partnerships and Events

Racing Together works closely with the RCA, BHA public affairs team, Great British Racing (GBR), the Racing Futures initiative and has provided input into the Godolphin-inspired Forum for Education and Community Engagement. It has also offered in-kind support to the emerging National Racehorse Week initiative, an exciting opportunity to open the horseracing industry to have a positive impact on communities.

Racing Together presented to the BHA's Graduate Development programme attendees (virtually) this year and intends to grow this activity to broaden awareness of the initiative.

During Covid-19, the Racing Together website was a hub for the sport's community response to the pandemic and impacts of lockdown - from food banks to NHS fundraisers and hosting vaccination sites. The team was very active in sourcing stories and supporting a range of efforts of individuals and racing organisations. A new strategy to position Racing Together's contribution to the sport's recovery includes some exciting community initiatives and pilot programmes to come in 2021, including the Autism in Racing pilot.

Racing to School has reviewed the governance structure of Racing Together with the aim of improving visibility of this area of work across the sport, and as a way to attract further access to funding. The Board considered for 2021 a new dedicated Racing Together Advisory Board, reporting into the Racing to School Board and supported by the existing Racing Together executive function.

Future Plans

New projects and initiatives in 2021 will include:

- To recruit, as required, a suitable independent Trustee to the Board using a skills matrix
- Maintain, recruit and train new sessional field staff for deployment, as required
- To agree a new multi-year business strategy for Racing to School for 2021/22 onwards
- Recognise and celebrate the charity's 20th anniversary of commencing Education programmes
- Reset interim growth targets in line with restrictions to reach 10,000 participants in 2021
- Launch new five-year Pony Racing Pathway Partnership in collaboration with other stakeholders
- Explore new Beacon programme proposition while maintaining delivery of the Aintree and Newmarket Beacons
- Expand on the complementary work of youth charities providing education on gaming and gambling and explore a scaled-up collaborative programme, mindful of new associated content being introduced into the curriculum by the Department for Education
- To work with the Racecourse Association to develop and deliver a new online 'voucher scheme' to facilitate and track programme participants attending a complimentary race meeting with family/carers
- Plan to introduce the measurement of ethnic diversity across participant groups
- Develop the two-year partnership as the chosen racing charity with 'The Racing League' – a new teams-based competition
- Take forward the revised strategic objectives of leading the expanding Racing Together partnership, to include evolved governance through an advisory board
- Re-establish and increase participation in the Racing Together Community day for employee volunteering and reinstate Masterclass event in association with the RCA for racecourses and racing industry organisations

- Grow communications and platform audiences, including the use and development of the new online Directory of community activity
- To support other industry strategies, including Diversity and Inclusion; Horse Welfare and Racing's Vision led by the BHA.

Fundraising

- Racing to School was pleased to agree to revised payments from the Horserace Levy Betting Board (HBLB) in 2020 in light of the pandemic and the unprecedented demand placed on central funds. The original 2020 Grant was a further increase on 2019 and was requested to support an ambitious growth target and a record level of participation. A modest increase on 2020's actual grant payments was submitted to the Levy Board for 2020, both in support of Racing to School's work (around 45% of budgeted income) and for Racing Together (100%), which had been supported by the Levy Board for a first time in 2020.
- Fundraising was successful in the first quarter of the year with a number of restricted grants for specific programmes rolling forward with this activity in 2021.
- New Grants from The Racing Foundation (workbooks) and the Childwick Trust were gratefully received and will be carried forward to 2021 activity.
- Income from racecourses and schools ceased in March with due to Covid-19. Event fundraising was also not possible in 2020.
- A regular grant from the Peter O' Sullivan Charitable Trust was much appreciated and important in supporting programme growth once the programmes resume fully. Shadwell has been a strong supporter of the charity in recent years; however, the 2020/21 grant decision has been delayed and may not be available in future to run the sponsored programme of 12 events.
- Researching relevant Charitable Trusts remains a priority as existing funders complete their Grant term or choose not to renew.
- Racing to School is now on the Research, Education and Training list (RET) – an approved recipient list for relevant donations from gambling operators.
- Other fundraising events aligned to the charity's 20th anniversary will be pursued in 2021.

Covid-19 Pandemic

The Covid-19 pandemic created a significant amount of uncertainty and disruption across the charity sector and beyond. Many charities and businesses are likely to struggle financially over the coming months. While the financial position of Racing to School was negatively affected by having to suspend many of its activities, it is in the fortunate position of having sufficient reserves and cash balances to sustain the organisation for the foreseeable future.

Whilst it is likely that there will be continue to be a decline in income from donations, the charity is fortunate to have continued support in 2021 from HBLB and a number of other donors who continue to provide regular grant support.

Financial review

In 2020 Racing to School made an overall operating surplus in the year of £80,816 (2019: *surplus* £178,845) which comprises a deficit after transfers of £7,910 (2019: £9,020) on its General fund, a surplus of £86,385 (2019: £183,578) on the Racing to School Education Programme, a surplus of £2,341 (2019: £4,287) on the new Racing Together community engagement programme. During the year, Racing to School continued to support its charitable objectives with expenditure in the year of £441,952 (2019: £492,909).

With Covid-19 restrictions preventing most of the school activities from taking place from mid March, the charity furloughed some of its staff, receiving £49,775 from the government's Coronavirus Job Retention Scheme.

Racing to School Education Programme

The charity was fortunate to maintain the support of its key funders in what was a challenging year. In addition to the invaluable support provided by HBLB by way of a grant payment of £250,000 (2019: £260,000), the Education Programme also generated fundraising income of £94,364 in the year (2019: £231,464) which included grant funding from the Racing Foundation, Godolphin, and the Peter O'Sullivan Trust. Racecourses donations and income totalled £12,020 (2019: £31,650) and friends of Racing to School and other generous individuals, schools and organisations donated £22,984 (2019: £47,221).

Racing Together

The British Horseracing Authority and the HBLB provided grant income totalling £84,075 (2019: £90,000) to support the Racing Together community engagement programme. Additional income of £2,897 (2019: £3,000) was also received to support activities.

Reserves

The Charity's reserves as at 31st December 2020:

	£
General Fund	289,597
Restricted Funds	
- Racing to School Education Programme	728,442
- Racing Together	18,455
Total	<u>1,036,494</u>

The General fund balance of £289,597 represents free reserves that are approximately 6 months' Racing to School programme expenditure.

The Restricted Racing to School Education Programme fund is the surplus of all grants and donations specifically made for the activities of the programme and provides for future expansion and sustainability of the programme. Grants and donations are recognised in the accounts when they are received and where funds have been raised for activity that is planned for a future year this can give rise to a surplus on the fund.

The Restricted Racing Together fund relates to surplus grant funding which will be used to further develop the programme in future years.

The Trustees' policy with regard to reserves is to ensure that there are sufficient reserves to cover the charity's core annual activity costs in any period of unpredictable fluctuations in income sources so that the long-term future of the charity is assured.

Statement of Trustees' Responsibilities

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

Company and charity 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 these 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;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation;
- state whether the policies adopted are in accordance with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements.

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 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

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

- so far as that Trustee is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

Auditor

The auditor, James Cowper Kreston, was appointed as the charitable company's auditors during the year and has indicated its willingness to continue in office. The designated Trustees will propose a motion re-appointing the auditor at a meeting of the Trustees.

This report was approved by the Trustees on 26th July 2021 and signed on their behalf by:



Michael Andrews
Chairman of the Trustees

Independent Auditor's Report to the Trustees of Racing to School Limited

Opinion

We have audited the financial statements of Racing to School Ltd (the 'charitable company') for the year ended 31 December 2020 which comprise the statement of financial activities, balance sheet 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 state of the charitable company's 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 requirements of 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 trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the 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 but to do so.

Auditor's responsibility for the audit of the financial statements

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

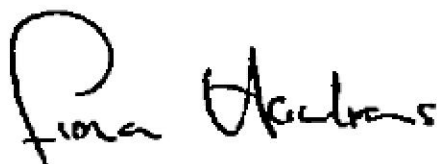
The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Fiona Hawkins BSc (Hons) MSc FCA
Senior Statutory Auditor

For and on behalf of
James Cowper Kreston
Chartered Accountants and Statutory Auditor
2 Communications Road
Greenham Business Park
Greenham
Newbury
Berkshire
RG19 6AB

Date 04/08/2021

Statement of Financial Activities (including the Income and Expenditure Account)

for the year ended 31 December 2020

	Note	General funds £	Restricted funds £	Total 2020 £	Total 2019 £
Income	1				
Donations and legacies		756	270,286	271,042	296,406
Income from charitable activities					
Fundraising grants and other		49,775	195,298	245,073	367,929
Investment income					
Bank interest		2,071	4,582	6,653	7,419
Total income	4	52,602	470,166	522,768	671,754
Expenditure	1				
Expenditure on charitable activities:					
Grants and educational activities		10,737	389,018	399,755	430,565
Cost of generating voluntary contributions		-	42,197	42,197	62,344
Total expenditure	5	10,737	431,215	441,952	492,909
Net income / (expenditure)		41,865	38,951	80,816	178,845
Transfers between funds		(49,775)	49,775	-	-
Net income / (expenditure) and net movement in funds for the year	14	(7,910)	88,726	80,816	178,845
Total funds brought forward	14	297,507	658,171	955,678	776,833
Total funds carried forward	14	289,597	746,897	1,036,494	955,678

The Company has no recognised gains and losses other than those included in the results above and therefore no separate statement of the total recognised gains and losses has been presented.

There is no difference between the surplus for the year stated above and the historical cost equivalent.

Balance sheet

at 31 December 2020

	Note	Year ended 31 December 2020	Year ended 31 December 2019
		£	£
Fixed assets			
Tangible fixed assets	10	3,213	6,154
Current assets			
Debtors	11	15,600	12,202
Cash and cash equivalents		383,402	339,999
Investments	12	821,510	816,625
Total Current Assets		1,220,512	1,168,826
Liabilities			
Creditors falling due within one year	13	(187,231)	(219,302)
Net current assets		1,033,281	949,524
Net assets		1,036,494	955,678
Funds			
Unrestricted income funds	16	289,597	297,507
Restricted income funds		746,897	658,171
Total charity funds		1,036,494	955,678

The financial statements have been prepared in accordance with the Charities SORP FRS 102.

These financial statements were approved by the board of Trustees on 26th July 2021 and signed on its behalf by:



Michael Andrews
Chairman of the Trustees

Notes

(forming part of the financial statements)

1 **Basis of accounting and statement of financial activities**

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and applicable charity law.

Racing to School meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees believe that the charity is well placed to manage its business risks successfully and are confident that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Trustees have considered the impact of the global Covid-19 pandemic on the ability of the charity to continue trading for the foreseeable future. This review has included considering the impact of the pandemic to the date of signing the financial statements and updating financial projections and performing rigorous stress testing on these projections in respect of income and activity. Based on this review and taken together with existing financing facilities the Trustees believe that the financial statements have been prepared appropriately on the going concern basis.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of the tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The rates used for this purpose are:

Computers and other equipment	10-20%
-------------------------------	--------

Operating leases

Costs in respect of operating leases are charged to the Statement of Financial Activities in the period in which they are incurred.

Debtors

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

Cash

Cash at bank and cash in hand includes current account balances and cash held in instant access and 90 day notice accounts.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Notes *(continued)*

Accounting policies *(continued)*

Investments and investment income

Current asset investments are long-term cash deposits requiring notice of 90 days or longer. Interest is accounted for on an accruals basis.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments include cash investments and are initially recognised at transaction value and subsequently measured at their settlement value.

Taxation

The Trustees believe that no charge to UK corporation tax will arise in respect of the year to 31st December 2020 (2019: *£nil*) as all activities of the company during this year were of a charitable nature. The company has charitable status, and a general exemption from taxation has been granted under Section 506 of the Income and Corporation Taxes Act 1998.

Judgements in applying accounting policies and key sources of information uncertainty

In determining if leases entered into by the charity are finance or operating leases, the lease has been assessed to determine whether the risks and rewards of ownership have been transferred to the lessor by the lessee on a lease by lease basis.

Pension costs

The charity does not, itself, operate a pension scheme. All employees of the charity now belong to the defined contribution scheme, operated by the BHA.

Allocation of overheads

A review of the overhead allocation is conducted annually to ensure it accurately reflects the level of support costs used by each activity.

Income and Expenditure

Incoming resources are derived from industry grants and self-generating sources and are recognised when receivable.

Income is only deferred where the donor has specified that the amounts received are for use in future accounting periods.

Grants paid represent charitable grants paid. These are accounted for on an accruals basis.

Other direct charitable expenditure payable in the period represents costs directly related to furthering the objectives of the charity.

Governance and support costs comprise costs payable for the running of the charity in compliance with constitutional and statutory requirements for the period.

The charity is not VAT registered and irrecoverable VAT is included with the item of expense to which it relates.

Fund Accounting

Funds held by the charity are either:

Unrestricted general funds – these are funds that can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds – these are funds that must be used in accordance with the conditions set by the donor.

Notes (continued)

2 Trustees' emoluments

The Trustees received no emoluments and expenses of £245 relating to travel and staff entertainment were paid in relation to 2 Trustees (2019: £1,938 to 3 Trustees) in respect of their services to the company during the year. Indemnity insurance is provided for the Trustees under a policy held by the British Horseracing Authority

3 Employees

The average weekly number of persons (excluding Trustees) employed by the Racing to School during the period was 10 (2019: 10).

	2020 £	2019 £
Staff costs (for the above persons)		
Wages and salaries	300,830	294,027
Social security costs	26,292	25,101
Other pension costs	24,212	22,234
	<hr/> 351,334 <hr/>	<hr/> 341,362 <hr/>

The number of employees who received emoluments between £90,000 and £100,000 was 1 (2019: one employee between £80,000 and £90,000).

The key management personnel of the charity comprise Trustees and the CEO. The total employee salary, pension and benefits in kind of the key management personnel were £96,459 (2019: £89,251)

4 Analysis of income

	2020 £	2019 £
Donations and legacies:		
- HBLB	250,000	260,000
- Donations	21,042	35,406
- Legacies	-	1,000
Income from charitable activities		
- Fundraising and grants	240,214	324,464
- Other incoming resources	4,859	43,465
Investment income		
- Bank interest	6,653	7,419
Total	<hr/> 522,768 <hr/>	<hr/> 671,754 <hr/>

Income includes a total of £470,166 for specific restricted activities (2019: £668,163).

Notes (continued)

5 Analysis of costs of charitable activities and generating voluntary contributions

Activity	Activities undertaken directly Note 6 £	Grant funding of activities Note 7 £	Support Costs Note 8 £	Total 2020 £	Total 2019 £
Funding allocation	-	-	-	-	-
Racing to School education programme	258,406	-	82,755	341,161	391,472
Racing Together community engagement	51,914	-	38,140	90,054	<u>88,826</u>
Total	310,320	-	120,895	431,215	480,298
Governance costs Note 9	-	-	10,737	10,737	12,611
Total	310,320	-	131,632	441,952	<u>492,909</u>

6 Analysis of activities undertaken directly

	Racing Together £	Racing to School education programme £	Total 2020 £	Total 2019 £
Staff costs	43,839	175,196	219,035	215,301
Printing/development	-	1,000	1,000	10,774
Vehicle costs	-	19,681	19,681	11,426
Programme delivery costs	8,075	14,948	23,023	57,227
Other costs	-	5,384	5,384	4,212
Fundraising /PR	-	42,197	42,197	62,344
Total	51,914	258,406	310,320	<u>361,284</u>

Notes (continued)

7 Allocation of support costs and overheads

	Racing Together	2020 Racing to School Education programme	Total	2019 Total
	£	£	£	£
Staff costs	32,876	66,748	99,624	93,410
Property costs	2,138	4,342	6,480	8,640
IT	284	577	861	2,363
Office costs	290	586	876	2,810
Vehicle costs	1,810	3,676	5,486	5,942
Staff development	50	1,242	1,292	2,395
Travel	239	485	724	533
Promotional material	-	435	435	-
Database	-	3,744	3,744	1,479
Depreciation	453	920	1,373	1,442
	<hr/> 38,140	<hr/> 82,755	<hr/> 120,895	<hr/> 119,014
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2020 support cost have been allocated to between the charities two activities, the Racing to School Programme and the Racing Together community engagement programme. Where possible costs have been specifically attributed. Where this is not possible costs have been apportioned on the basis of 33% (2019: 33%) to Racing Together and 67% (2019: 67%) Racing to School which represents an approximation based on time.

Notes (continued)

8 Governance costs

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Net incoming/(outgoing) resources is stated after charging:		
Auditor's remuneration:		
Statutory audit	5,700	6,000
Other fees	-	-
Legal advice and insurance	2,392	1,413
Consultancy services	2,400	2,400
Trustee expenses and meeting costs	245	2,798
	<hr/> 10,737 <hr/>	<hr/> 12,611 <hr/>

10 Tangible fixed assets

	Computers and other equipment £	Total £
Cost		
At 1 January 2020	19,728	19,728
Additions	222	222
Disposals	-	-
	<hr/> 19,950 <hr/>	<hr/> 19,950 <hr/>
Depreciation		
At 1 January 2020	13,573	13,573
Charge for the year	3,164	3,164
Disposals	-	-
	<hr/> 16,737 <hr/>	<hr/> 16,737 <hr/>
Net book value		
At 31 December 2020	<hr/> 3,213 <hr/>	<hr/> 3,213 <hr/>
At 31 December 2019	<hr/> 6,154 <hr/>	<hr/> 6,154 <hr/>

Fixed assets held during the year consist of office furniture and equipment that are both for direct charitable and related administrative purposes. The depreciation charged on these items has been included within support costs.

Notes (continued)

11 Debtors

	2020	2019
	£	£
Trade debtors	2,754	-
Other debtors	9,812	2,426
Prepayments and accrued income	3,034	9,776
	<u>15,600</u>	<u>12,202</u>

12 Investments

	2020	2019
	£	£
95 day notice account	447,808	442,923
120 day notice account	302	302
3 year flexible term deposit	373,400	373,400
	<u>821,510</u>	<u>816,625</u>

13 Creditors: amounts falling due within one year

	2020	2019
	£	£
Other creditors	68,318	108,508
Accruals and deferred income	118,913	110,794
	<u>187,231</u>	<u>219,302</u>

Included within creditors is an amount of £nil in respect of grants payable (2019: £nil).

Notes (continued)

14 Reconciliation of movement in accumulated funds

Fund Name	Fund balances brought forward	Incoming resources	Outgoing resources	Transfers	Gains and losses	Fund balance carried forward
General Funds						
General	297,507	52,602	(10,737)	(49,775)	-	289,597
Restricted Funds						
Racing to School Education Programme	642,057	383,082	(346,472)	49,775	-	728,442
Racing Together	16,114	87,084	(84,743)	-	-	18,455
	<u>955,678</u>	<u>522,768</u>	<u>(441,952)</u>	<u>-</u>	<u>-</u>	<u>1,036,494</u>
	=====	=====	=====	=====	=====	=====

In addition to Racing to School's education programme, the charity is now responsible to Racing's community engagement programme Racing Together. Income received by the charity specifically for the Racing to School education programme days has been recognised as restricted income. This includes grant funding from HBLB. Income received by the charity for non-specific activity has been treated as general fund income.

A transfer of £49,775 was made from the General fund to restricted Education Programme fund in respect of CJRS grant income (2019: £nil).

The restricted Education Programme fund of £728,442 relates to donations given specifically to support the on-going work of the Racing to School programme.

The Racing Together restricted fund of £18,455 relates to grant funding provided by the British Horseracing Authority for community engagement programmes. In accordance with the grant terms, unspent funds at the yearend are held in a restricted reserve to fund future activity.

Notes (continued)

15 Pension Scheme

The Charity does not, itself, operate a pension scheme. Employees of the Charity belong to the British Horseracing Authority Pension Fund ('The Scheme') defined contribution scheme.

During the year, the Charity and employees are paying contributions to The Scheme at the rates recommended. The charity's contributions to The Scheme in 2020 was £24,212 (2019: £22,233). £766 was also paid in respect of life assurance (2019: £1,014).

16 Analysis of net assets between funds as at 31 December 2020

	General funds £	Restricted funds £	Total £
Fixed assets	-	3,213	3,213
Cash at bank and investments	292,747	912,165	1,204,912
Other current assets	2,850	12,750	15,600
Current liabilities	(6,000)	(181,231)	(187,231)
	<u>289,597</u>	<u>746,897</u>	<u>1,036,494</u>

17 Financial commitments

At 31 December 2020 Racing to School had total commitments under non-cancellable operating leases as follows:

	2020 Motor vehicles £	2019 Motor vehicles £
Expiring within one year	18,951	16,815
Expiring between one and five years	25,464	23,468
	<u>44,415</u>	<u>40,283</u>

18 Liability of members

The members of the company have undertaken to contribute a sum not exceeding £1 each to meet the liabilities of the company in the event that it is wound up.

Notes (continued)

19 Related party transactions

The company has transacted with the following related parties, all of which are related by virtue of one of their employees, appointments, or directors being a director of the company.

Details of sales and recharges to and administrative expenses incurred from related parties are detailed below

	Sales & Recharges to		Administrative expenses incurred from	
	2020	2019	2020	2019
British Horseracing Authority	13,615	92,250	350,057	411,535

Related party transactions included in year end debtors and creditors were as follows;

	Receivables outstanding		Creditors outstanding	
	2020	2019	2020	2019
British Horseracing Authority	-	-	66,122	106,832

During the year the charity received no donations or fundraising income from Trustees and their families (2019: 2 trustees £4,400).

20 Ultimate controlling party

Racing to School is controlled by its Board of Trustees. Accordingly, there is no single individual that can, or does, exert control over the charity.

21 Post Balance Sheet Events

The onset of the Covid-19 pandemic impacted the charity's income and activities in 2020 and the ongoing restrictions continue to impact in 2021. Whilst it is not possible to assess the financial impact with any certainty, the Trustees do not consider the charity's long-term viability is materially impacted as a result of Covid-19.