

**THE ROUS CHARITY**

**Trustee's Report and Financial Statements**

**31 December 2020**

**Registered Charity Number 1068581**

**THE ROUS CHARITY  
TRUSTEE'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**THE ROUS CHARITY  
TRUSTEE'S REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**REGISTERED CHARITY NUMBER: 1068581**

**TRUSTEE**

Racing Homes (a company limited by guarantee)

**DIRECTORS OF RACING HOMES**

Simon Hope (Chair)

William Barlow

Craig Gasper

Gary Middlebrook (resigned 9 June 2020)

Patrick Russell

**CHIEF EXECUTIVE**

Dawn Goodfellow

**REGISTERED OFFICE**

Robin McAlpine House

20B Park Lane

Newmarket

Suffolk CB8 8QD

**BANKERS**

Barclays Bank PLC

High Street

Newmarket

Suffolk CB8 8NH

**SOLICITORS**

Taylor Vinters

Merlin Place

Milton Road

Cambridge

CB4 0DP

**INVESTMENT MANAGER**

Troy Asset Management Limited

Brookfield House

44 Davies Street

London W1K 5JA

**AUDITORS**

RSM UK Audit LLP

Abbotsgate House

Hollow Road

Bury St Edmunds

IP32 7FA

**THE ROUS CHARITY  
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**STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Rous Charity was formed on 24 September 1997 by a Charity Commissioners' Scheme, which combined the operations of the Rous Memorial Fund and the Rous Memorial and Almshouse Charity.

The sole Trustee is Racing Homes (formerly The Stable Lads Welfare Trust Housing Association Limited) (Charity Commission registration number 1122961), its trustees act as trustees of the charity. Full details of Racing Homes trustee recruitment policy can be found in its financial statements.

**Governance**

The Charity is registered under the Charities Act 2011 (Charity Commission registration number 1068581). Racing Homes is itself a subsidiary undertaking of Racing Welfare (Charity Commission registration number 1084042). Day-to-day management of the Rous Charity is delegated to Racing Homes Head of Housing, overseen by the Chief Executive.

The Jockey Club is the charity's ultimate controlling party by virtue of being Racing Welfare's sole member, and provides HR, IT and capital projects support to the Racing Welfare Group.

**Recruitment and appointment of trustees**

The sole trustee of the charity is Racing Homes, whose own trustees act as trustees of the charity. A full description of Racing Homes recruitment process can be found in its financial statements.

**Principal Risks and Uncertainties**

The principal risks identified by the trustee together with the actions taken to mitigate these risks are set out below:

<b>Risk description</b>	<b>Risk mitigation</b>
<b><i>Stock Market volatility:</i></b>  Market volatility may impact upon both levels of investment income generated and the real value of the funds held.	The Finance, Investment and Audit Committee has responsibility for maintaining an investment portfolio that is robust to external changes in the economy, with professional advice sought. Consequently the investment portfolio is closely aligned to the conservative investment policy.
<b><i>Failure to comply with GDPR:</i></b>  Failure to comply may result in a data breach causing reputational damage and financial losses to the Charity.	The Charity has ensured all policies and procedures are updated regularly to comply with GDPR. IT security is maintained by The Jockey Club's skilled IT professionals with all sensitive data stored and transmitted securely. All staff undertake comprehensive training on an annual basis with new staff undertaking this as part of their induction.

**Principal Risks and Uncertainties (continued)**

<b>Risk description</b>	<b>Risk mitigation</b>
<p><b><i>Breach of Health and Safety Regulations:</i></b></p> <p>A breach of H&amp;S regulation may result in injury to tenants, beneficiaries or staff or damage to property resulting in financial losses and reputational damage.</p>	<p>The Charity sits within the Jockey Club's Health and Safety Management System. The Head of Housing holds H&amp;S qualifications and all staff undertake comprehensive training on an annual basis with new staff undertaking this as part of their induction. Key staff are given responsibility for identifying and reporting H&amp;S issues. Regular Fire alarm testing is carried out at all properties and all equipment PAT tested. The introduction of a new housing management system in 2020 has aided compliance monitoring.</p>
<p><b><i>COVID-19:</i></b></p> <p>The financial impact of COVID-19 may increase arrears and bad debts, as well as causing practical difficulties in carrying out essential maintenance.</p>	<p>The eight units of Rous Cottages are let to retirees, whose income is anticipated to be largely unaffected. Racing Welfare's Welfare Officers are available to assist other tenants with applications for benefits and grants should they fall into financial difficulties. The Housing Team work closely with residents to ensure social distancing is adhered to whilst essential repairs are carried out.</p>

The Trustee has introduced a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. The risk register is regularly reviewed by Racing Welfare Senior Management and annually by Racing Welfare Trustees.

**OBJECTS AND ACTIVITIES**

The Charity exists to provide almshouses for the benefit of needy or aged persons employed or formerly employed or otherwise engaged in or in connection with the horse racing and thoroughbred industry or their dependants. The Trustee confirms that it has had regard to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities.

**CHARITY GOVERNANCE CODE**

The Charity, in line with Racing Welfare, has fully adopted the Charity Governance code and is actively working on all seven pillars. Full details can be found in the consolidated financial statements.

**ACHIEVEMENTS AND PERFORMANCE**

The Charity continued to provide housing to its beneficiaries in 2020. The Charity owns eight bungalows at Rous Court, Newmarket, and five modern bungalows in Hamilton Road, Newmarket leased from The Jockey Club. These properties are managed by Racing Homes and provide housing and facilities at an affordable rent for pensioners from the horseracing industry.

**THE ROUS CHARITY  
TRUSTEE'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**FINANCIAL REVIEW**

In 2020, the Charity received income of £66,803 (2019: £73,181) and expended some £52,121 (2019: £63,650). The decrease in expenditure was due to extensive asbestos removal works on Hamilton Road in 2019. The Charity made fair value losses on investments of £49,912 (2019: £58,636 fair value gains) and has maintained a sound financial position with unrestricted funds at 31 December 2020 of £535,619 (2019: £550,125).

**Reserves policy**

The Trustee has reviewed the reserves of the Charity. This review encompassed the requirement to meet fixed commitments and the likelihood of receiving voluntary donations. The Charity aims to maintain general reserves equivalent to at least 6 months forward expenditure, estimated at £20,000. At 31 December 2020 general reserves were £414,485 (2019: £378,485). The trustee is of the opinion that these funds are sufficient to sustain the Charity's ongoing activities. Excess reserves will be kept under review by the trustee whilst assessing opportunities as they arise.

The trustee maintained a designated extraordinary repairs fund to provide for any unexpected repairs and improvements. At 31 December 2020, the value of extraordinary repair fund was £40,000 (2019: £40,000).

Under the terms of the 1997 Charity Commissioner's scheme, the land and buildings formerly belonging to the Rous Memorial and Almshouses charity should be held in the Rous Charity on the same terms as it was in the Rous Memorial and Almshouses charity. The properties have been classified as permanent endowments with the fund value representing the net book value of the land and buildings (2020: £869,548; 2019: £890,272).

Free reserves at 31 December 2020 were £112,436 (2019: £77,030), calculated as total unrestricted funds excluding those invested in shares and securities.

**Investment policy**

Historically the Charity's investment portfolio has been represented by a single investments in a common funds, the Trojan Income Fund ('S' Income). During the year the investment was split with a proportion now invested in the Trojan Fund ('S' Income). The aim of the investment policy is to provide a balance between income and capital growth, measured on a total returns basis.

**PLANS FOR FUTURE PERIODS**

On 7 December 2020 the Trustee passed a resolution to transfer the assets of the Charity to Racing Homes, subject to approval from the Charity Commission for which an application was submitted to the in February 2021. The move is part of a wider restructure of the Racing Welfare group that will bring the benefit of improved services offered to beneficiaries through greater integration of services and reduction of associated costs allied with ensuring greater efficiencies in terms of both staff time, administration and management costs.

**THE ROUS CHARITY  
TRUSTEE'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**STATEMENT OF TRUSTEE'S RESPONSIBILITIES**

The Trustee is responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that year. In preparing the financial statements the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 1993, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

RSM UK Audit LLP were appointed as auditors during the year and have expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

The trustees report was approved on 1st June 2021 and signed on its behalf:



Simon Hope (Chairman of Racing Homes)

**THE ROUS CHARITY  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Opinion**

We have audited the financial statements of The Rous Charity (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position 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 FRS 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 charity's affairs as at 31 December 2020 and of its incoming resources and application of resources 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 Charities Act 2011.

**Basis for opinion**

We have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 charity 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.

**Emphasis of matter – Non-going concern basis of accounting**

We draw attention to note 1 of the financial statements which describes the preparation of the financial statements on a basis other than going concern. As described in note 1, on 7 December 2020 the trustees passed a resolution to transfer the operations, assets and liabilities of the Charity to Racing Homes and have therefore concluded that it is no longer appropriate to prepare the financial statements on a going concern basis. There have been no adjustments made to the financial statements as a result of the application of the non-going concern basis of accounting. Our opinion is not modified in respect of this matter.

**Other information**

The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.



**THE ROUS CHARITY  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns;
- we have not received all the information and explanations we require for our audit.

**Responsibilities of the Trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 5, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks, that the charity operates in and how the charity is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

**THE ROUS CHARITY  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

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

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

**Use of report**

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

RSM UK Audit LLP  
Statutory Auditor  
Chartered Accountants  
Abbotsgate House  
Hollow Road  
Bury St Edmunds  
Suffolk  
IP32 7FA

Date 30 June 2021

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

**THE ROUS CHARITY**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted funds £	Endowment funds £	Total 2020 £	Total 2019 £ (note 15)
<b>INCOME FROM:</b>					
Investments	2	7,898	-	7,898	15,938
Charitable activities		58,905	-	58,905	57,243
<b>TOTAL INCOME</b>		<u>66,803</u>	<u>-</u>	<u>66,803</u>	<u>73,181</u>
<b>EXPENDITURE ON:</b>					
Charitable activities		31,397	20,724	52,121	63,650
<b>TOTAL EXPENDITURE</b>	3	<u>31,397</u>	<u>20,724</u>	<u>52,121</u>	<u>63,650</u>
<b>NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS</b>		35,406	(20,724)	14,682	9,531
Net (losses)/gains on investments	7	(49,912)	-	(49,912)	58,636
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR AND NET MOVEMENT IN FUNDS</b>		<u>(14,506)</u>	<u>(20,724)</u>	<u>(35,230)</u>	<u>68,167</u>
<b>Reconciliation of funds:</b>					
<b>Balances brought forward 1 January</b>	10	550,125	890,272	1,440,397	1,372,230
<b>Balances carried forward 31 December</b>	10	<u>535,619</u>	<u>869,548</u>	<u>1,405,167</u>	<u>1,440,397</u>

The notes on pages 11 to 17 form part of these financial statements.

**THE ROUS CHARITY**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
<b>FIXED ASSETS</b>			
Tangible assets	6	869,548	890,272
Investments	7	383,183	433,095
		<u>1,252,731</u>	<u>1,323,367</u>
<b>CURRENT ASSETS</b>			
Debtors	8	3,438	95,888
Cash at bank and in hand		153,689	24,213
		<u>157,127</u>	<u>120,101</u>
<b>LIABILITIES</b>			
Creditors: amounts falling due within one year	9	(4,691)	(3,071)
<b>NET CURRENT ASSETS</b>		<u>152,436</u>	<u>117,030</u>
<b>NET ASSETS</b>		<u>1,405,167</u>	<u>1,440,397</u>
<b>THE FUNDS OF THE CHARITY:</b>			
Unrestricted funds:	10		
General fund		413,891	378,485
Revaluation Reserve		81,728	131,640
Designated funds		40,000	40,000
		<u>535,619</u>	<u>550,125</u>
Endowment funds		869,548	890,272
<b>TOTAL CHARITY FUNDS</b>	11	<u>1,405,167</u>	<u>1,440,397</u>

The financial statements on pages 9 to 17 of The Rous Charity were approved by the Trustee and authorised for issue on ....1st June 2021..... and signed on its behalf by:



Simon Hope  
Chairman of Racing Homes

The notes on pages 11 to 17 form part of these financial statements.

## **1. Accounting policies**

### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Charity has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:-

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosure

The financial statements of the Charity are consolidated in the financial statements of Racing Welfare. The consolidated financial statements of Racing Welfare are available from its registered office, whose address is the same as the Charity's.

### **Going concern**

On 7 December 2020 the Trustee passed a resolution approving transfer the assets of the charity to Racing Homes subject to the necessary consents from the Charity Commission following the application made in February 2021. Should the Charity Commission approve the application the Trustee intends to deregister the charity therefore the financial statements are prepared on the basis that the charity is no longer a going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

### **Debtors**

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

### **Creditors**

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.

### **Income recognition**

Income from charitable activities represents rents and service charges receivable. All rental and service charge income is from social housing lettings. Investment income is included in the accounts when due. Investment gains and losses include any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

### **Expenditure recognition**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

### **Fund accounting**

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

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

The endowment funds were established when the Rous Memorial and Almshouses charity and the Rous Memorial Fund were combined to form the Rous Charity and represents the net book value of the properties.

## 1. Accounting policies (continued)

### Freehold and long leasehold almshouses

Depreciation is provided in equal annual instalments over the term of the lease or estimated lives of the assets at the rate of 2% per annum.

### Freehold and leasehold improvements

Depreciation is provided on fixtures and fittings at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Fixtures and fittings range from 10 years to 20 years

### 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 reporting 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.

### 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 opening carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value (purchase date if later). Realised and unrealised gains and losses are combined in the Statement of Financial Activities.

### Judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for income and expenditure during the period. However, the nature of the estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on the amounts recognised in the financial statements:

### Tangible fixed assets:

Tangible fixed assets are depreciated over their useful lives, taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal value.

## 2. INVESTMENT INCOME

	2020 £	2019 £
Interest receivable	16	91
Dividends receivable from investments and unit trusts	7,882	15,847
	<u>7,898</u>	<u>15,938</u>

## 3. CHARITABLE ACTIVITIES

	Activities undertaken directly £	Support costs £	Total 2020 £	Total 2019 £
Housing	45,885	6,236	52,121	63,650
	<u>45,885</u>	<u>6,236</u>	<u>52,121</u>	<u>63,650</u>
<b>Support Cost Allocation</b>	<u>4,000</u>	<u>2,236</u>	<u>6,236</u>	<u>6,446</u>

The Charity does not employ staff directly. Staff are employed by Racing Homes, the charity's corporate trustee. Direct housing staff costs are apportioned to the Charity on the basis of hours worked. In 2020, the cost of housing staff time allocated to the Charity was £13,957 (2019: £11,956).

**THE ROUS CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**4. TRUSTEE'S REMUNERATION**

No remuneration or out of pocket expenses were received by the trustee during the year (2019: £nil).

All staff are employed by Racing Homes and Racing Welfare, with costs allocated to the charity on the basis of the proportion of units owned. Therefore no employee or key management personnel remuneration was directly incurred.

**5. GOVERNANCE**

The auditors' remuneration constituted audit fees of £1,545 (2019: £1,500) and other non-audit fees of £nil (2019: £nil).

**6. TANGIBLE FIXED ASSETS**

	Freehold almshouses £	Long leasehold almshouses £	Freehold improvements £	Leasehold improvements £	Totals £
Cost and deemed cost					
At 1 January 2020	546,000	330,000	103,564	11,044	990,608
At 31 December 2020	546,000	330,000	103,564	11,044	990,608
Depreciation					
At 1 January 2020	43,680	39,600	14,124	2,932	100,336
Charge for the year	7,280	6,600	5,582	1,262	20,724
At 31 December 2020	50,960	46,200	19,706	4,194	121,060
Net book value					
At 31 December 2020	495,040	283,800	83,858	6,850	869,548
At 31 December 2019	502,320	290,400	89,440	8,112	890,272

Freehold almshouses includes freehold land of £182,000 that is not depreciated.

**7. FIXED ASSET INVESTMENT**

	2020 £	2019 £
Listed investments:		
Market Value at 1 January	433,095	374,459
Additions	152,864	-
Disposals	(152,864)	-
Net investment (losses) / gains	(49,912)	58,636
Market value at 31 December	383,183	433,095
Historical cost at 31 December	317,455	301,455
Listed investments are represented by:		
Investment trusts and unit trusts	383,183	433,095
	383,183	433,095

**THE ROUS CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

<b>8. DEBTORS</b>	<b>2020 £</b>	<b>2019 £</b>
Due from Racing Homes	-	88,362
Prepayments and accrued income	3,253	7,526
Other debtors	185	-
	<u>3,438</u>	<u>95,888</u>

<b>9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2020 £</b>	<b>2019 £</b>
Owed to Racing Homes	2,039	-
Accruals and deferred income	2,652	3,071
	<u>4,691</u>	<u>3,071</u>

**10. STATEMENT OF FUNDS**

	<b>At 1 January 2020 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Investments Gains £</b>	<b>Transfers £</b>	<b>At 31 December 2020 £</b>
<b>Unrestricted funds</b>						
General reserve	378,485	66,803	(31,397)	-	-	413,891
Revaluation Reserve	131,640	-	-	(49,912)	-	81,728
<b>Designated funds</b>						
Extraordinary Repair Fund	40,000	-	-	-	-	40,000
<b>Total unrestricted funds</b>	<u>550,125</u>	<u>66,803</u>	<u>(31,397)</u>	<u>(49,912)</u>	<u>-</u>	<u>535,619</u>
<b>Endowment funds</b>	890,272	-	(20,724)	-	-	869,548
	<u>1,440,397</u>	<u>66,803</u>	<u>(52,121)</u>	<u>(49,912)</u>	<u>-</u>	<u>1,405,167</u>

	<b>At 1 January 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Investments Gains £</b>	<b>Transfers £</b>	<b>At 31 December 2019 £</b>
<b>Unrestricted funds</b>						
General reserve	348,230	73,181	(42,926)	-	-	378,485
Revaluation Reserve	73,004	-	-	58,636	-	131,640
<b>Designated funds</b>						
Extraordinary Repair Fund	40,000	-	-	-	-	40,000
<b>Total unrestricted funds</b>	<u>461,234</u>	<u>73,181</u>	<u>(42,926)</u>	<u>58,636</u>	<u>-</u>	<u>550,125</u>
<b>Endowment funds</b>	910,996	-	(20,724)	-	-	890,272
<b>Total unrestricted funds</b>	<u>1,372,230</u>	<u>73,181</u>	<u>(63,650)</u>	<u>58,636</u>	<u>-</u>	<u>1,440,397</u>



**THE ROUS CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**10. STATEMENT OF FUNDS (continued)**

The general reserve represents the free funds of the Charity which are not designated for particular purposes, and are available to be spent for any of the purposes of the Charity.

The revaluation reserve represents the net accumulated fair value gains on investments which would only be available for use if the investments were sold.

The extraordinary repair funds sets aside funds for unexpected maintenance costs.

The endowment funds were established when the Rous Memorial and Almshouses and the Rous Memorial Fund were combined to form the Rous Charity and represents the net book value of the properties.

**11. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**As at 31 December 2020**

	<b>Endowment</b>	<b>Designated</b>	<b>Unrestricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2020</b>
				<b>£</b>
Tangible fixed assets	869,548	-	-	869,548
Investments	-	-	383,183	383,183
Current assets	-	40,000	117,127	157,127
Current liabilities	-	-	(4,691)	(4,691)
	<u>869,548</u>	<u>40,000</u>	<u>495,619</u>	<u>1,405,167</u>

**As at 31 December 2019**

	<b>Endowment</b>	<b>Designated</b>	<b>Unrestricted</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>2019</b>
				<b>£</b>
Tangible fixed assets	890,272	-	-	890,272
Investments	-	-	433,095	433,095
Current assets	-	40,000	80,101	120,101
Current liabilities	-	-	(3,071)	(3,071)
	<u>890,272</u>	<u>40,000</u>	<u>510,125</u>	<u>1,440,397</u>

**12. CONNECTED CHARITIES**

The Rous Charity has its trustee and administration in common with the following charities:

- Racing Welfare
- The Bentinck, Beresford and Rendlesham Charity
- Racing Homes

The following amounts were due (to)/from connected charities as at 31 December 2020:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Racing Homes	<u>(2,039)</u>	<u>88,362</u>

## **12. CONNECTED CHARITIES (continued)**

Racing Homes manages the properties on behalf of The Rous Charity. During the year Racing Homes collected rents amounting to £58,905 (2019: £57,243) on behalf of the charity and paid shared costs attributable to the charity of £22,868 (2019: £22,847), including staff costs of £13,957 (2019: £11,956). During the year the charity received £122,561 from Racing Homes in settlement of the inter-charity loan account.

During the year £4k (2019: £5k) in respect of management and administration overheads were allocated to the Charity by Racing Homes.

### **Parent Company**

Racing Homes (formerly The Stable Lads Welfare Trust Housing Association Limited), Charity Number 1122961, Company Registration 06489067 whose address is the same as the Rous Charity and whose charitable objects and activities are the provision of affordable housing to those in need. The parent company exercises control through its corporate trusteeship and its accounts can be obtained from Racing Welfare.

### **Ultimate Parent Company**

Racing Welfare, Charity Number 1084042, Company registration Number 04116279, whose address is the same as the Rous Charity and whose charitable objectives are the relief of poverty, sickness, injury and the advancement of education to those employed or formally employed in the racing industry.

The Ultimate Parent exercises control through its corporate trusteeship; its accounts can be obtained from Racing Welfare, 20b Park Lane, Newmarket Suffolk, CB8 8QD.

### **Ultimate Controlling Party**

The Ultimate Controlling Party is The Jockey Club, Company Registration Number RC000287, governed by Royal Charter, whose address is 75 High Holborn, London, WC1V 6LS by virtue of being the sole member of Racing Welfare.

## **13. POST BALANCE SHEET EVENTS**

Following the year end an application was submitted to the Charity Commission on behalf of the Trustee seeking approval to merge The Rous Charity with Racing Homes. The Trustee passed a resolution on 7 December 2020 approving the process.

## **14. FINANCIAL INSTRUMENTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Equity instruments measured at fair value	<u>383,183</u>	<u>433,095</u>

15. STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR THE YEAR ENDED 31 DECEMBER 2019

	Unrestricted funds £	Endowment funds £	Total 2019 £
<b>INCOME FROM:</b>			
Investments	15,938	-	15,938
Charitable activities	57,243	-	57,243
<b>TOTAL INCOME</b>	<u>73,181</u>	<u>-</u>	<u>73,181</u>
<b>EXPENDITURE ON:</b>			
Charitable activities	42,926	20,724	63,650
<b>TOTAL EXPENDITURE</b>	<u>42,926</u>	<u>20,724</u>	<u>63,650</u>
<b>NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS</b>	30,255	(20,724)	9,531
Net gains/(losses) on investments	58,636	-	58,636
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>	<u>88,891</u>	<u>(20,724)</u>	<u>68,167</u>
Transfers between funds	-	-	-
<b>AND NET MOVEMENT IN FUNDS</b>	<u>88,891</u>	<u>(20,724)</u>	<u>68,167</u>
<b>Reconciliation of funds:</b>			
Balances brought forward 1 January	461,234	910,996	1,372,230
<b>Balances carried forward 31 December</b>	<u>550,125</u>	<u>890,272</u>	<u>1,440,397</u>