



# RACING WELFARE

## Report and Financial Statements

31 December 2020

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Registered charity number: 1084042  
Company registration number: 04116279

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# LEGAL AND ADMINISTRATIVE DETAILS

## RACING WELFARE

Charity Number: 1084042

Company Number: 04116279

## PRESIDENT

Her Royal Highness The Princess Royal

## TRUSTEES AND DIRECTORS:

William Barlow – Chairman

Colonel Toby Browne (appointed 9 June 2020)

Lady Celina Carter

Jonathan Eddis

Richard Farquhar

Morag Gray

Simon Hope

Nicky Lyon

Gary Middlebrook (resigned 9 June 2020)

Patrick Russell

Rod Street

Venetia Wrigley

## KEY MANAGEMENT:

Chief Executive Officer - Dawn Goodfellow

Chief Operating Officer - Gemma Waterhouse

Director of Welfare - Simone Sear

Head of Fundraising - Mark Loades

## REGISTERED OFFICE

Robin McAlpine House

20B Park Lane

Newmarket

Suffolk

CB8 8QD

## INVESTMENT MANAGERS

Troy Asset Management Limited

Brookfield House

44 Davies Street

London

W1K 5JA

Majedie Asset Management Limited

10 Old Bailey

London

EC4M 7NG

## BANKERS

Barclays Bank Plc

58 High Street

Newmarket

Suffolk

CB8 8NM

## SOLICITORS

Taylor Vinters

Merlin Place

Milton Road

Cambridge

CB4 0PD

## AUDITORS

RSM UK Audit LLP

Abbotsgate House

Hollow Road

Bury St. Edmunds

IP32 7FA



# CHAIR'S STATEMENT

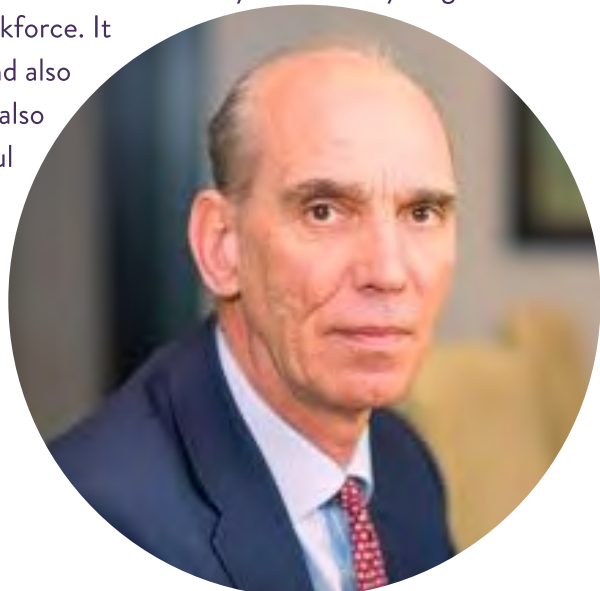
Our Chair, William Barlow, reflects on 2020.

The year 2020 will be defined by the pandemic, and for Racing Welfare it was a year in which the charity was afforded the unexpected opportunity to demonstrate to the industry the important part it plays in maintaining the sport. The industry was able to rely heavily on our welfare services, resource, experience and expertise in order to support racing's workforce through an exceptionally difficult time. The charity responded quickly to the first UK-wide lockdown with everyone working from home at full capacity, within one week, so that services across both welfare and housing remained uninterrupted, a credit to the team here. The expertise within the welfare team and the robust grant-making system already in place meant that we were able to quickly administer emergency grant funding, delivering it to those who needed it most and providing over £156k in hardship support payments. Racing Welfare and Racing Homes dealt with an increased number of complex emergency cases involving issues including homelessness, financial hardship and mental health. In total Racing Welfare helped a record 4,533 people, over 2,000 more than the year before. The numbers are remarkable but measuring the impact of our work is just as important. The case studies in this report and on our website give an insight into that impact, not only on the individuals themselves, but on their employers and the subsequent effect this then has on improving the health of the industry. 2021 will see us develop further the way we evaluate our work.

Covid-19 saw our traditional calendar of fundraising events badly affected, leaving us facing a £500,000 shortfall in revenue and having to rethink our approach. The team were agile and innovative, launching a Covid-19 Emergency Appeal within two and a half weeks of lockdown being imposed. This fast response undoubtedly played a key role in the success of the appeal, as well as delivering a programme of virtual events that engaged the whole racing community. From Virtual Preview Evenings and Open Days to the Great Racing Welfare Auction and a singing competition, the Furlong Factor, we achieved a record fundraising year.

Despite being very focused on emergency relief and fundraising, the team were re-organised, and some re-deployed, to enable us to deliver a significant part of our planned strategy of work for the year. The work on the Industry Wellbeing Strategy continued and the BHA Members' Committee signed off on the first ever industry-wide strategy for mental health. This is a significant step change and provides a coordinated approach and commitment to improve the wellbeing of all those that work within the horseracing industry. The Racing Homes committee worked with Savills to deliver the growth strategy which now provides a clear route to achieving the ambitious and exciting plans for racing industry housing.

2020 has brought huge challenges and the staff at Racing Welfare have worked tirelessly to deliver what can only be described as an outstanding performance. My fellow trustees and I want to formally thank every single one of them for going above and beyond for the benefit of racing's workforce. It has shown the passion and dedication they all have for what they do, and also the exceptional leadership that we have in place at the charity. We are also extremely grateful for the support we have received from our wonderful network of supporters who have given so generously in the year, enabling us to respond to the crisis in a way that the whole industry can be proud of.



A handwritten signature in black ink that reads "William Barlow".

William Barlow  
Chair

# TRUSTEES' REPORT

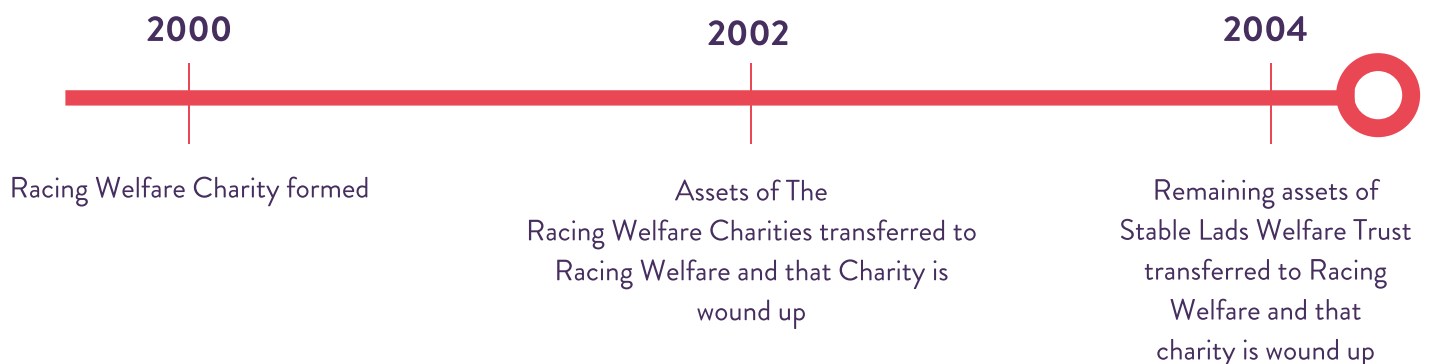
## Objectives and Activities

The trustees present their annual report and the audited financial statements of the charity and group for the year ended 31 December 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

### OBJECTIVES AND ACTIVITIES

#### WHO WE ARE

Racing Welfare is a charity that supports British horseracing's workforce. We offer professional guidance and practical help to all of racing's people – including stud, stable and racecourse staff, alongside those working in associated professions – whose dedication is vital for the wellbeing of racing. Our work aims to help people, from recruitment to retirement, to thrive in day to day life and through a range of challenges specific to a career in racing.



#### WHAT WE DO

The principal activity of the charity is enhancing the wellbeing of people from the thoroughbred racing and breeding community by providing comprehensive and individual support throughout and after their working lives.

Racing Welfare's objects, as described formally in its governing document, are:

- to relieve poverty and sickness and injury amongst persons employed or formerly employed or otherwise engaged or formerly engaged in or in connection with the horseracing and thoroughbred breeding industry and their dependants ('the Beneficiaries');

# TRUSTEES' REPORT

## Objectives and Activities continued



### WHAT WE DO (continued)

- the advancement of education among any of the Beneficiaries who are in need;
- the provision of facilities for recreation or other leisure time occupation in the interest of social welfare primarily for the benefit of Beneficiaries having need of such facilities by reason of youth or infirmity or disablement as specified in Section 5 (1) of the Charities Act 2011; and,
- the advancement of education for the public benefit by the promotion of research into, and of public awareness of, methods of prevention and treatment of sickness among, and of injuries sustained by, jockeys, stable staff, apprentices and others licensed by the British Horseracing Authority while riding or attending horses and by persons attending horse races or thoroughbred breeding establishments and by the publication of the useful results thereof.

The vision that shapes our annual activities is to ensure that no one from the thoroughbred racing and breeding community is left unsupported and that everyone has the opportunity to thrive. The charity aims to contribute to the quality of life of racing's people through its extensive range of services and activities. These include:

- Financial Assistance and grants
  - Information, Advice & Guidance
  - Services for the retired community
  - Services for young people
  - Workforce Wellbeing Programme being:
    - Occupational Health Service
    - Mental Health Services
    - Careers Advice Training Service
- Community and education
- Research
- Housing



# TRUSTEES' REPORT

## Objectives and Activities continued

### WHERE WE DO IT

The charity's objects limit the services provided to those working in, or retired from, the horseracing and thoroughbred breeding industry. The number of people engaged in the horseracing industry (current and retirees) is estimated at some 30,000. There is a concentration of racing staff in the main horseracing training centres shown on the map, these areas are supported by a Racing Welfare office in each centre plus a strong presence in Epsom with a dedicated welfare officer. Roving welfare officers are located all around the country, covering each region and supporting all those outside of the racing centres. The collaboration between Racing Welfare and Racing Homes, who have properties in each of the training centres, enables the group to deliver housing and welfare support where it is needed most.

The charity referred to the guidance contained in the Charity Commission's general guidance on the public benefit requirement under the Charities Act 2011 when reviewing its aims and objectives and in planning future activities. In particular, the Trustees considered how planned activities will contribute to the aims and objectives and remain confident that they continue to satisfy the statutory requirements, albeit that the charity limits the services it provides to those working in or retired from, the horseracing and thoroughbred breeding industry.

The majority of the charity's services are provided free of charge to beneficiaries. Where the charity does charge for services, these are set at a level that is affordable to all. In those instances where individuals cannot afford these low charges, the charity will make an appropriate grant to ensure that access to the services is not denied through lack of financial resource.



# TRUSTEES' REPORT

## Achievements and Performance

### ACHIEVEMENTS AND PERFORMANCE

#### WHAT WE HAVE ACHIEVED

The year began on our expected trajectory but in March the pandemic reached critical levels and the impact on the UK and the horseracing industry paved the way for a very different year for the Charity. In 2019 we helped 2,520 individuals. In 2020 this figure rose by 80% to 4,533 individuals. The team responded quickly, creating project teams using staff members across the organisation, to cope with the increased demand for our services. We swiftly adapted our working practices and use of technology; we developed new ways of supporting our beneficiaries, predicting future service demand and issues. We also provided up to date advice and guidance, supporting and maintaining strong communication with our own workforce as well as industry stakeholders. This approach meant that enforced furlough was avoided and every member of the team was able to play an important role in the response.

We worked closely with industry funders to establish an Emergency COVID Fund for hardship grants for racing's workforce. This fund was provided by The John Pearce Foundation and administered by our front-line welfare officers. We were able to seamlessly disburse the funding through our rigorous grant-making processes, enabling the funds to be delivered to the people in most need, with compassion, speed, efficiency, compliance and with the ability to report back performance, in real-time.

Our CEO led the industry People Workstream in relation to the impact of COVID and the recovery plan. This raised the profile of Racing Welfare and coupled with the significant media coverage the charity received during the year, the charity received renewed recognition for the important work it does.

Despite significant resources being diverted to emergency response work, the team remained focused on delivering the planned work on the Workforce Wellbeing Programme, a Diversity and Inclusion Strategy, an Industry-wide Wellbeing Strategy, and improvements in governance. The refurbishment works at MacDonald Buchanan House to convert it to high quality young people's accommodation were completed, as was the Racing Homes Growth Strategy.





# TRUSTEES' REPORT

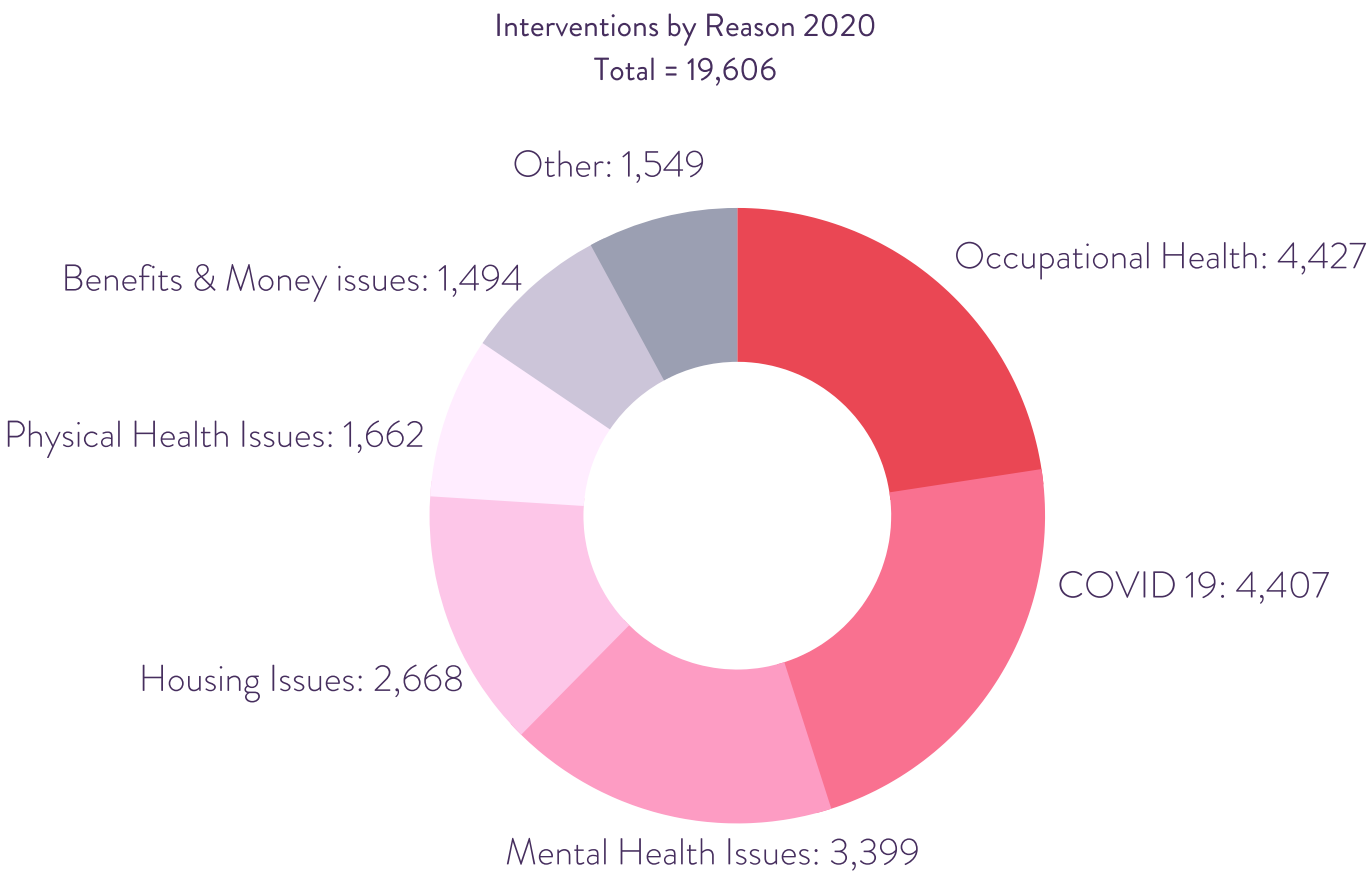
## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

#### Focus on:

#### Welfare Services

In total, 4,533 (2019 – 2,520) individuals sought Racing Welfare’s help in 2020, an 80% increase on 2019. A total of 19,606 (2019 – 12,320) interventions were provided across a wide range of issues. A 59% increase on 2019. Occupational health, COVID-19 and mental health challenges were the most common reasons for seeking help



#### Workforce Wellbeing Programme:

This programme is made up of Racing’s Support Line, Racing’s Occupational Health Service, the Careers Advice and Training Service and our Mental Health Services and is fully funded by a grant from the Racing Foundation.

#### Racing’s Support Line

Racing’s Support Line provides a 24 hour 365 days a year service via telephone and online chat. The service can help with a whole range of issues, from emotional support through to debt and benefits advice and wider consumer rights. The service also provides structured, solution focussed counselling for individuals with BACP accredited counsellors. In 2020 we tendered a new contract for Racing’s Support Line and our new delivery partners are Care first, an experienced Employee Assistance Programme provider and part of the Priority Group. The service is confidential. In 2020 we had 2,021 individuals contact Racing’s Support Line and the online self-help digital pages achieved 36,186 views (up from 24,339 in 2019). The number of individuals contacting Racing’s Support Line was a slight decrease on 2019 (2,258 contacts).

# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

However, promotion of the service was reduced in the run-up to switching providers in order to ensure a seamless handover and although all services remained available throughout, this is thought to be a factor in the reduction in numbers. Our top call type was for mental health support, followed by grant applications and careers.

#### Racing's Occupational Health Service

Racing's Occupational Health Service (ROHS) provides support to people working in the industry around a range of physical and mental health issues which include: musculoskeletal disorders, accident & injury, disability, illness, stress, depression and anxiety. The service is provided by our specialist partners, Team Prevent and is bespoke to the industry's needs. This service is externally evaluated and has demonstrated that it is an integral part of our wellbeing provision, with 91% of users saying it helped them get back to work or improved their ability to do their job. 84% saying it has/will help them to stay in work. In 2020 we supported 301 people through ROHS with 23% of these accessing mental health support and 77% physical health. This is a decrease of 97 people from 2019. However, the pandemic undoubtedly had an impact on the service in 2020, particularly in the first lockdown when physical treatment services were not available and people were, in general, more hesitant about accessing health services.

Grants totalling £68,401 were awarded for treatment. The service was promoted at a range of workplace visits (pre-Covid) followed by online campaigns and raising awareness with other industry bodies and employers.





# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

#### Careers Advice Training Service

CATS is an industry-specific careers development service aimed at improving staff retention by supporting people to develop throughout their careers in the horseracing industry. The service supports people in 5 main ways; personal development, career change (within industry), job-seeking skills, return to work and employer support. In March 2020 a dedicated CATS website was launched. There were a total of 10,134 views of CATS digital material in 2020 (an increase from 4,866 in 2019). The service was significantly impacted by Covid in 2020, with the majority of training courses not available. People were also understandably not focussing on their careers during a pandemic. Despite this, we still supported 100 people with careers advice through the bespoke telephone careers coaching service, accessed through Racing's Support Line. In December 2020 a new CATS supplier, Work Clever Careers, were appointed. They have a vast range of experience in careers coaching and all of their careers coaches are Career Development Institute registered. Despite Covid career development grants totalling £12,942 were awarded in 2020 through CATS. In addition, £9,211 of funding was awarded via the National Trainers Federation Charitable Trust, which Racing Welfare administer on their behalf. Career development grants are for a range of industry training courses.

#### Mental Health Services

Racing Welfare continues to support beneficiaries seeking help with mental health and addiction issues. We continue to provide face to face, telephone and online counselling programmes free of charge to beneficiaries seeking support with emotional wellbeing. The services can be accessed through either Racing's Support Line or Racing's Occupational Health Service. Our welfare officers have formed links and partnerships with local drug & alcohol services and refer beneficiaries to these specialists where appropriate. During 2020 we looked to expand our preventative support and now provide 2 new services; Sleepstation and Woebot. Sleepstation is an NHS accredited online sleep programme, designed to support those who are struggling with their sleep. Woebot is a mental wellbeing app focussing on self-awareness, resilience and coping strategies.

All our welfare officers receive Mental Health First Aid (MHFA) training and we have two welfare officers who are qualified MHFA trainers.





# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

During 2020 and the Covid pandemic our mental health courses were postponed. However, by the end of the year we were able to offer online mental health awareness courses. Despite the impact of Covid we still trained 42 racing industry staff in Mental Health Awareness and 10 racing industry staff were trained as Mental Health First Aiders. Racing Welfare is a signatory to the Mental Health in Sport Charter with other industry stakeholders and has supported national mental health campaigns to raise awareness such as Mental Health Awareness Week and World Mental Health Day

### Mental Health Case Study:

*Empathy, positivity and the ability to listen are often associated with effective leadership and are qualities which Beck Edmunds, Head Person to trainer Bryan Smart possesses in abundance.*

*Along with her talent for managing a string of horses, her role as confidante and mentor to the staff at Smart's yard in North Yorkshire, scooped her the top prize of 2021 employee of the year at the Godolphin Stud and Stable Staff Awards.*

*Beck's caring nature and drive to constantly improve her management skills was the motivation for signing up to Racing Welfare's Mental Health Awareness Course. Beck talks with great passion about how the course has helped to support her staff struggling with mental health issues. She says: "I saw the Mental Health Awareness Course pop up on Facebook and I jumped at the chance to do it because someone in the yard should have some sort of mental health qualification.*

*"Lads in the yard have always come to me to ask for help and to talk about their problems, obviously I help them without a question and I found sometimes I was probably taking a little too much on myself and going to bed at night and rolling things over in my head and thinking 'I'm not a professional, am I saying the right things, I'd hate to say the wrong things'.*

*The Mental Health Awareness Course helped Beck to realise that she could refer to Racing Welfare's services instead of trying to provide the support on her own:*

*"I realised I can't help everybody and that we're not there to wave a magic wand and fix everything. I was there to say 'I'm sorry you are feeling like this but I am here for you and I am here to listen to you and I can put you in touch with people who can help you further.'*

*"It's not only for those struggling with suicidal thoughts but also for the ones struggling financially or with housing or with feeling lonely – being able to get memberships for gyms – things I didn't even know about. That's why I think mental health training should be in every yard."*



# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

#### Financial Assistance and grants

During the course of its work, the charity makes grants in accordance with its objectives on the basis of agreed criteria. Grants are mostly made to individuals, although a small number of grants are provided to other charitable organisations that offer services to people who work in, or are retired from, racing.

During the year £244k in grants were awarded (£207k – 2019) with the most common reason for applying for grants being hardship/debts.

#### Information, Advice & Guidance

The charity offers a comprehensive Information, Advice and Guidance (IAG) service to its beneficiaries, primarily through a nationwide team of frontline welfare officers, welfare support workers and regional welfare managers.

The team are either trained or in training to support beneficiaries with welfare rights issues such as;

- Benefits advice, including challenging benefits decisions
- Dealing with debt
- Housing and homelessness issues

A large part of the welfare team's role is to support beneficiaries to maximise all statutory entitlements and help people navigate what can often be complex organisational systems. A welfare officer can act as an advocate wherever necessary and at other times provide a listening ear in times of crisis. The team are also trained Mental Health First Aiders and many hold qualifications in counselling skills and suicide awareness, or will be working towards them. Racing Welfare has three designated safeguarding leads and all staff are trained to recognise and refer any safeguarding concerns.

#### Services for the retired community

Racing Welfare supports racing's retired community in a number of different ways. In addition 70% of Racing Homes' housing portfolio is dedicated to retirement housing. The two charities work closely together to support those who have given a lifetime to the sport, and their close dependants. Research has shown that loneliness and lacking social connections is harmful to our health and can increase the likelihood of mortality by 26%. In a typical year we provide social events and outings for retired, injured and incapacitated staff in order to alleviate the risk of loneliness and isolation. Typically, this is done through coffee mornings and racing reminiscence groups across the country as well as outings and trips, Christmas lunches and a beneficiary holiday.



# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

Post-March 2020 these events had to be postponed or cancelled but were replaced by some innovative virtual offerings which enabled our retirees to remain connected at a really difficult time:

In 2019:

- 700 people from around the UK attended a variety of race meetings, theatre trips and seaside outings with old friends and colleagues.
- 678 (2018 – 464) people sat down to Christmas lunch on the same day in the main horseracing training centres
- 295 (2018 – 273) people attended monthly coffee mornings and racing reminiscence groups around the UK supported by local welfare officers who are available to offer advice and support if needed
- 50 (2018 – 50) holiday places to Great Yarmouth were provided for beneficiaries

In 2020 this was replaced by:

- 651 retired beneficiaries attended our in-person coffee morning and reminiscence events at the start of 2020
- Over 400 people joined our online community, Racing Conversation, where 36 weekly events hosted by racing personalities were held to assist beneficiaries in reminiscing with one another virtually.
- 703 vulnerable individuals over the age of 60 received pro-active calls to provide and offer support.
- The 'Check-in and Chat' telephone befriending service was created and a team of 21 volunteers carried out over 1200 calls to vulnerable and isolated beneficiaries
- 622 retired staff received a Christmas Gift Box of food to replace our lost Christmas lunches

### Services for young people

The charity works closely with all industry training providers. The welfare team provide talks to young learners who are about to enter the workplace for the first time. This is followed up by welfare visits in the workplace to offer support on life issues and to help prevent loneliness and isolation for people who may be away from home and family networks. This activity continued during the pandemic but via telephone calls and email. A gym membership scheme is offered to all young people in the first year of their work placement to help them maintain their health and well-being. Our welfare teams organise a series of educational talks and events in the racing centres aimed at young people, although these were limited in 2020 due to the pandemic. However, they continued where possible and the team switched to videoconferencing delivery. The talks focus on issues such as addiction awareness and nutrition. Racing Welfare also funds a programme of life skills with the industry training providers.

Additionally, the charity funds an addiction education programme at the National Horseracing College and part funds a school nurse at the British Racing School.

For those young people who live in one of our Racing Homes properties, our dedicated Housing Support Officer works alongside them to help develop their life skills, this is described in more detail in the "Housing" section of this report.



# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

#### Community development and education

Our frontline welfare teams faced significant challenges in 2020 with providing the usual face-to-face contact with those we seek to support. The team had to develop new ways of communicating and supporting beneficiaries using digital technology. Emergency cases were prioritised but for the most part of the year our staff were unable to visit workplaces. This resulted in a dramatic drop in yard visits from 1,083 in 2019 to 271 in 2020. In order to raise awareness of our work we took to the telephone, email and mailshots but also relied heavily on our communications team who generated an unprecedented amount of coverage in the period.

The charity continues to fund the community work of The Racing Centre (formerly The New Astley Club) and a grant of £34.5k (£44k: 2019) was made to the Centre in 2020 to enable them to deliver social and sporting activities to racing's people. The decrease in funding is due to the centre being closed for part of the year due to COVID restrictions. In addition, Racing Welfare, whose welfare team is based at The Racing Centre, has worked closely and collaboratively with them throughout the difficult year.

Racing Welfare continues to fund the work of The National Chaplain to Horseracing via Sports Chaplaincy UK. The National Chaplain is now established in the racing community and provides pastoral care, support and counselling to anyone within the horseracing industry. In addition, he has been working to increase the Chaplaincy service around the UK by forming partnerships in other areas. Volunteer Chaplains cover the South and North, assisting the National Chaplain by providing localised pastoral support. Racing's Chaplain plays a vital role in raising the profile of our work and also provides specialist advice and support with bereavement and relationship issues.



# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

#### *Spotlight on Communications Initiatives*

The launch of our new podcast On Track, Off Course in November 2020 has proved to be a huge success in engaging people from all across the sport.

The podcast focuses on wellbeing and in each episode a big racing personality talks on a subject we would never normally hear them discuss. Topics so far have included grief, loneliness, motherhood and diversity and have served to highlight the breadth of issues for which we can provide support.

On Track, Off Course, a unique offering in the racing podcast market has now accumulated over 3,500 listens and established a dedicated audience. To date, the podcast's promotional videos on social media have attracted over 100,000 views and impressions of posts are close to one million, with our top five Twitter posts of the year all being based around the podcast. Fully produced, hosted and edited in-house, On Track, Off Course has been a winning addition to the Racing Welfare stable.

#### **Research**

Research is a charitable objective of Racing Welfare. It is an important element of Racing Welfare's work, in that it informs the development of services which are high quality, relevant and based on the evidence of need. It also informs policy in the wider industry, promoting the health and well-being of the workforce of British Racing. Importantly, research contributes to the knowledge and expertise of Racing Welfare's staff, which again enhances the experience of beneficiaries who access our services. 2020 saw the start of a four year PhD in Organisational Health and Wellbeing for Simone Sear, our Director of Welfare. Her research will focus on the evaluation of the impact of the investment racing is making on human wellbeing.

#### **Fundraising**

None of the above could be achieved without the generosity of donors and supporters of Racing Welfare. In 2020 the group raised £4.17m (2019 - £2.6m) from donations, grants and fundraising events and we are extremely grateful to those who made those contributions. Highlights from our fundraising campaign included:

- Continued and increased support from companies such as the Jockey Club, Betfair, Rewards4Racing, Arena Racing Company, York Racecourse, Ascot Racecourse, Juddmonte Farms, Tattersalls, Godolphin and European Bloodstock News.
- New support from corporate partners including the Racehorse Lotto, Sportinglife, Tote and the Racehorse Owners Association.
- Our own fundraising events had to be altered in the wake of Covid. Whilst we were still able to run a White Collar Boxing Event and the Newmarket Heath Ride, the remainder of our events calendar was moved online with virtual Royal Ascot, Goodwood and Jumps Season preview events taking place alongside the Furlong Factor and Great Racing Welfare Auction.
- The Epsom, Malton and Middleham Open Days, which the charity organises, were run virtually this year. Along with the continued support from the Virtual Newmarket Open Weekend.

# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

- Supporters continued to raise funds through their own activities and initiatives – Hambleton Racing, Kennet Valley Racing, Hot to Trot, Betway, Just Seats, Weatherbys and ATR all provided support.
- There was Increased support from individuals through personal donations.
- Generous support from trusts and foundations including; The Racing Foundation, The Childwick Trust, The Thompson Family Charitable Trust, The John Pearce Foundation, The Sir Peter O'Sullivan Trust, The MacDonald Buchanan Charitable Trust, The Alborada Trust, The Bamford Foundation, PJ Oppenheimer Foundation and the Bissell Trust.

### Spotlight on Virtual Fundraising

*The Furlong Factor, which ran from 29th April to 9th May was a landmark fundraising event for the Racing Welfare. It not only raised more than £50,000 towards our Covid-19 Emergency Appeal but also played a significant part in the growth of our profile across the sport.*

*The initiative saw Racing Welfare join forces with Great British Racing, the Tote and Sky Sports Racing to bring an innovative fundraising event to the industry at a time when all our usual events were unable to take place. People from across the industry were invited to go head-to-head in racing's first singing competition. The response was incredible and the competition created a great buzz throughout the industry, raising spirits during what was a tough time for so many.*

*The competition captured the imagination of the racing community and over the duration of the campaign Furlong Factor posts achieved over 4.7 million impressions across all social media channels with #FurlongFactor even trending on Twitter on the night the heats were launched. The long-term benefit of engagement was seen with the gain of over 2,000 new social media followers during the competition.*

### Housing

In 2020 the 165 units in the portfolio housed 156 tenants. There were 58 new lets in the year and the new void refurbishment programme enabled the upgrade of eight units of retired accommodation and 1 unit of our working staff accommodation. This programme of refurbishment will see the entire portfolio upgraded to a high standard over the coming years, as and when properties become vacant.

During the year we completed the major refurbishment works on MacDonald Buchanan House and let all 18 units to young people working in Newmarket. The project at Middleham was placed on hold due to the pandemic and the project will be progressed in 2021.



# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

#### MacDonald Buchanan House

MacDonald Buchanan House is an 18-unit property of bedsit style accommodation which historically housed older working staff. The results of the housing needs survey carried out in 2015 established a greater need for housing young people and retired staff. As such, the redeployment of MacDonald Buchanan House from working staff to young people's accommodation was approved by the trustees. The works started in November 2019 and were completed in May 2020. The welfare team from Racing Welfare, alongside the housing team, worked closely with every existing tenant to ensure that new accommodation was secured prior to the start of works. The result is 18 units of student style accommodation developed to a high standard with shared laundry facilities.

The development was made possible by generous support from the MacDonald Buchanan Trust, the Alborada Trust, the proceeds from Newmarket Open Weekend and Racing Homes' own reserves.

The tenants are supported by a Housing Support Officer, who provides specific support to young people who face a unique set of challenges in adapting to life away from home, often when they are still under 18 years of age. The Housing Support Officer helps the individuals to develop life skills including; finance, cooking, career development and mental wellbeing.

#### Case study 2020

*Levi was one of the first residents at MacDonald Buchanan House when it opened in April 2020. At the age of 20, he had completed his foundation course at the British Racing School (BRS) and secured a full-time job with racehorse trainer, William Haggas.*

*Levi's journey into racing has been unusual. In the early years of his life he moved around a lot with his family. His mother was a very keen horsewoman and wherever they lived she would find employment with horses. This inspired Levi's interest and he began learning to ride at just five years old.*

*After a period living abroad, Levi moved back to the UK when he was 16 to live with his sister. He thought he'd outgrown his love for horses and he went from course to course and job to job before becoming a support worker in a care home for disabled people and this is when his passion for horses returned.*

*The television was permanently on in the care home lounge and Levi began watching racing as often as he could. He says with a smile: "I remember watching Royal Ascot and admiring the horses and the jockeys and thinking I want horses back in my life, I miss them!" Soon after, he was accepted onto a course at the BRS.*

*Levi says that when he moved in with his sister his life had "hit rock bottom" but that racing has given him a job, a home and a purpose. He says: "Moving out of the BRS and into MacDonald Buchanan House has been so helpful. It has given me my own space where I am able to experience living on my own for the very first time."*

*Having been worried about coping on his own, Levi has found that the support he receives at MacDonald Buchanan House has made him feel secure. With the help of his Housing Support Officer, Levi is successfully making the transition from teenager into adulthood and now feels happy and healthy and, in his own words he has: "at last found what I want to do and where I want to be."*

# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

#### Hill House

Hill House in Middleham is a grade two listed property set in the centre of the town. Racing Welfare purchased the property in 2018 in order to develop it to create a multi-purpose offering for the town. The project will feature young people's accommodation, a community space, an IT suite, a gym and physio treatment room plus office space for Racing Welfare's staff who are based in the town. The planning phase has taken longer than originally anticipated due to revisions to the architectural drawings, which resulted from a review of the suitability of the original plans. The development of the property will be carried out by Racing Homes and a leasehold will be granted from Racing Welfare to Racing Homes to enable this. The trustees of Racing Homes have been mindful to prioritise maximising the scheme's potential, ensuring that the significant investment results in a building that is fit for purpose, over and above meeting original deadlines set for starting the works. In 2020, due to the pandemic, a decision was made to temporarily delay capital projects that were not in the final stages of development. This was to reduce the risks associated with Covid restrictions. Recommencement of all capital projects started in April 2021 and the team will be looking at the next phase for Middleham.

During 2020 the Racing Homes board engaged with Savills to produce a growth strategy. This important piece of work was made possible by a generous grant from the Racing Foundation. The strategy enabled the board to consider all the possible funding options for growth which has enabled them to set a realistic path for the next 10 years of portfolio expansion. The results confirmed that the charity has the capacity to carry out two medium scale projects (up to 40 units) every ten years, given its capacity for fundraising and subject to receiving a mix of donations, larger grants and some debt financing. We therefore continue to be reliant on our loyal base of supporters to successfully deliver more houses for racing's current and retired workforce.

For the majority of the year the housing function was overseen by Jockey Club Estates Residential Property Manager, Jason Downs, under a Service Level Agreement (SLA). Towards the end of the year the promotion of our in-house Housing Manager Robyn Leamy to Head of Housing changed the relationship of the SLA with Jockey Club Estates to one of pure asset management. This was a seamless transition, given the close working relationship of the two teams and plays to the strengths and expertise of each party.

The new asset management software, Pyramid, is now fully embedded within Racing Homes and is improving our reporting on arrears, voids, compliance and planned and reactive maintenance.



# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

#### Case Study 2020

Stewart was 61 years old when he found himself being made redundant from his job in racing that came with tied accommodation. Stewart had been working in the industry for over 40 years having started as a work rider at just 15 years old.

Being made redundant was a difficult time for Stewart and he worried about what he would do. Fortunately, Racing Homes were able to step in and help. When we received Stewart's application, we realised that there was a real risk of imminent homelessness and were able to act quickly to reassure Stewart and provide support. The Housing Officer assigned to Stewart's case liaised with him frequently during every stage and was able to give him advice on both his current notice to quit and his rights.

Racing Homes had a void studio flat becoming available in Stewart's area but it was undergoing works that weren't due to end until the week after the applicant would become homeless. His Housing Officer encouraged and supported him to approach his employer to ask for a week's extension so that he could wait for the Racing Homes flat. His request was granted and he was able to move into his new home on the same day as the works were completed. Stewart was clearly relieved and happy to have found support from Racing Homes and talking about his new home said: "I love it here, it's nice and quiet and after a worrying time I couldn't be happier, for me it's grand."





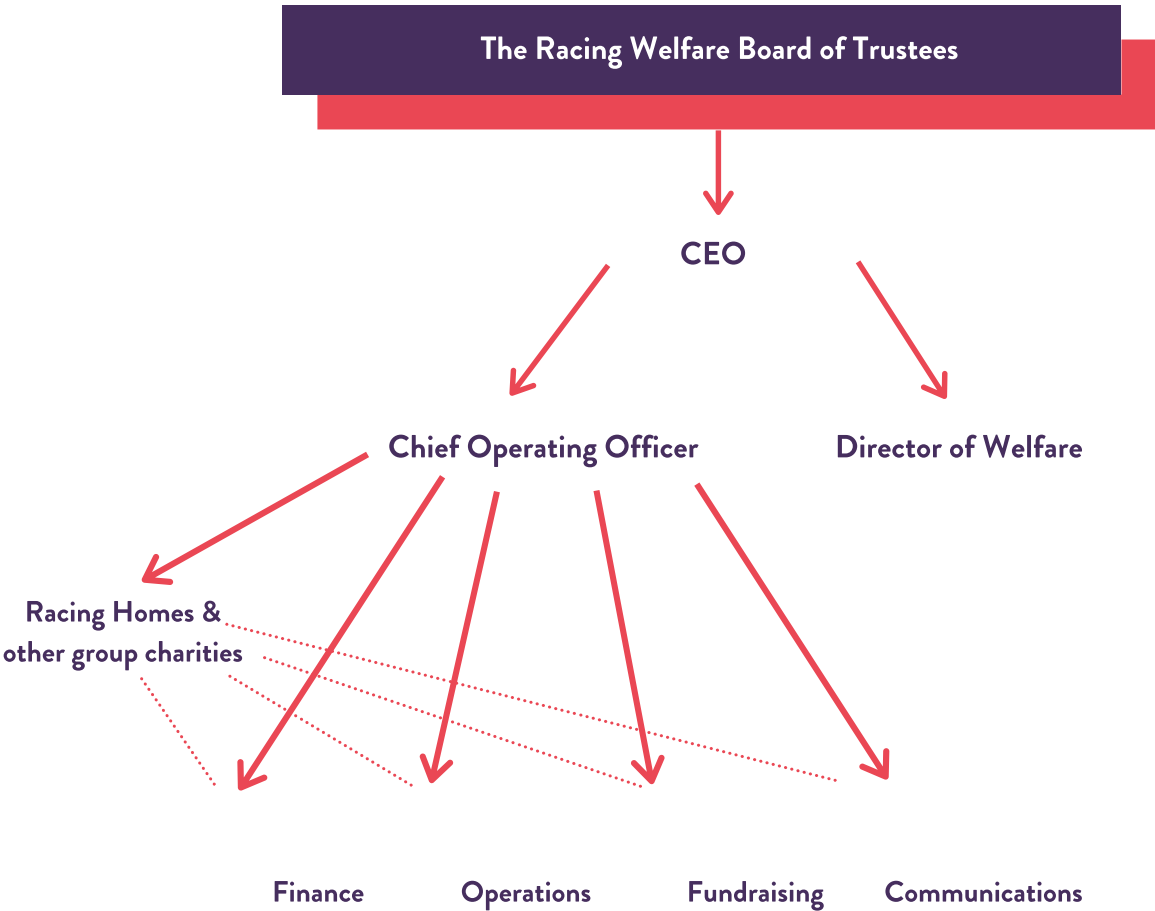
# TRUSTEES' REPORT

Achievements and Performance continued

## HOW WE ACHIEVED IT

We achieved another excellent year for Racing Welfare because of the exceptional team of people employed by the charity. 2020 saw the team expand from 41 to 45, with new roles created in the welfare, programmes and administration teams. In addition, the charity benefits from donated services from The Jockey Club group including IT support, HR and payroll services and support for our capital projects from the Jockey Club group property team.

The trustees have delegated the day-to-day management of the charity to the Chief Executive Officer who in turn delegates areas of the business to the Executive Management Team comprising the Chief Operating Officer and the Director of Welfare. The Senior Management Team is made up of the Head of Finance, Head of Fundraising, Head of Communications, Head of Programmes and Head of Housing.



The finance, operations, fundraising and communications departments provide services to the other charities within the group.

Details on how the other group charities operate can be seen in their respective financial statements.

# TRUSTEES' REPORT

Achievements and Performance continued

## WHAT WE PLAN TO DO NEXT

So much has changed across our organisation in 2020, and so much good has come from the adaptations we have all had to make. Reviewing our new working practices and establishing which of those should remain for the future benefit of both staff, the charity and our beneficiaries will make Racing Welfare a leaner, more agile organisation. Reflection is important and will be a key factor in influencing our operational strategy going forwards.

For our beneficiary communications, we will be developing a beneficiary app alongside a new website to provide a more effective way of informing our beneficiary base of our developing services and grants. Our new website will be a significant improvement to our “shop-front” and will make the user journey of our supporters smoother, as well as enabling us to tell our story to more people. The hugely successful Podcast series will return, complementing our suite of marketing and comms assets.

The funding of the Wellbeing Workforce Programme is being developed, with plans to encourage the industry to own, and part-fund, the programme through a campaign which will highlight the benefits and impact it has had in its first four years. This step is integral to the continuation of the programme.

We will work with our funding network to raise finance for our capital projects in Lambourn and Middleham which look to fulfil the housing need and improve social issues facing these areas.

We hope to resume face to face community events but will retain those virtual community events that have enabled more people than ever before to come together regularly. We will also continue our hugely successful, volunteer-led ‘Check In and Chat’ service which we know has made a tangible difference to the lives of so many of our retired community.

We will expand the excellent work achieved by our Housing Support Officer by rolling out the support plans to all young people entering our accommodation across the country, to ensure that they have a happy, healthy start in their racing careers.



# TRUSTEES' REPORT

## Financial Review

### OUR FINANCIAL PERFORMANCE

The Racing Welfare group has benefited from a number of large donations, contributing to a net income before gains of £1,652k (2019 – 106k). These donations are essential for the funding of the charity's plans for the coming years, including an allocation of £500k to our capital project in Middleham.

The equity market was significantly affected by the Covid crisis and a significant fair value loss on investments was reported resulting in a net deficit for the year of £130k (2019 – £1.96m surplus).

#### Our Income

The charities raised £4.2m (2019 – £2.7m) from fundraising activity, including income from grants. The majority of the significant increase was a result of income from donations and legacies, driven in large part by the charities' Covid Appeal. Despite the cancellation of the majority of the planned fundraising events, event income of £322k was generated, a reduction of £337k from 2019. Fundraising achieved a return on fundraising of 92% (2019 – 81%) which was an 11% increase on the prior year.

Investments generated £0.2m (2019 – 0.6m) of income and £0.8m (2019 – £0.6m) was raised from housing rents.

#### Our Expenditure

Total expenditure was slightly reduced with £3.7m (2019 – £3.8m) being spent on charitable activities, primarily welfare advice and welfare projects (£1.8m, 2019: £1.9m) in delivering the Workforce Wellbeing Programme. Housing expenditure remained at £1m (2019 – £973k) and the cost of fundraising reduced to £0.4m (2019 – £0.6m) due to cancelled events.

#### Balance Sheet

The group saw an increase of cash in hand, a result of the £1.6m net surplus before gains and losses. During the year £1m of surplus cash was transferred to investments. Prior to that investments had fallen in value after the markets dropped in response to the Coronavirus pandemic.

#### Managing our reserves

Racing Welfare holds liquid reserves for three purposes: to develop a source of revenue to support annual expenditure on (principally) welfare services; as a consequence to sustain the charity over the longer term and to enable capital expenditure on schemes which meet Racing Welfare's charitable objectives including supporting schemes proposed by other charities which sit under the Racing Welfare umbrella.

Annually, the Trustees will agree:

- the level of income required from the Income Fund to support Racing Welfare's operational activity; and where the actual income received is less than the requirement, the balance will be drawn from the capital held in the Income Fund.
- the level of drawdown required to support capital expenditure on projects and the apportionment of that drawdown between the two investment funds which (largely) comprise the Income Fund.



# TRUSTEES' REPORT

## Financial Review continued

### OUR FINANCIAL PERFORMANCE (continued)



Racing Welfare's reserves policy is to hold general reserves equivalent to at least six months' forward expenditure, estimated at £1.1m. Free reserves are £12.4m (2019 - £13.0m) as they include the investment portfolio of £12.3m which is held at this level to provide the required return to fund running costs. The overall level of liquid unrestricted funds held in the general fund is sufficient to ensure that Racing Welfare can survive any short-term unforeseen fall in income. The total reserves held at 31 December 2020 in the Charity was £14.6m, of which £0.5m was in restricted funds.

#### **Investment powers and policy**

The charity's investment policy is directed by the Finance, Investment and Audit (F, I & A) sub-committee of the Board and investments are consolidated under Troy Asset Management and Majedie Asset Management. The majority of investments are held for the long term to generate annual income to fund the charities' activities. The balance of the charities' cash is held in the main in Active Saver accounts. For the main investment portfolio and the Bentinck, Beresford and Rendlesham portfolio, the investment objectives require a balance of income and capital growth and no specific investment restrictions or ethical requirements have been set. The investment managers are assessed against an industry benchmark and are asked to present to the board in person once a year but provide verbal reports for every F, I & A meeting.

# TRUSTEES' REPORT

## Financial Review continued

### Going concern

The trustees have considered whether there are any material uncertainties about the charity and group's ability to continue as a going concern. At the balance sheet date, the free reserves of the charity are £12.4m with £12.3m in equity investments the general reserve in line with the reserves policy. On 11 March 2020 the World Health Organisation declared a global pandemic, COVID-19, which poses ongoing risks to the charity. The disease has had a significant impact on the global economy with markets heavily affected and significant impact on global output. Operationally, the charity was able to act swiftly to protect employees and all staff within the Racing Welfare group were quickly working effectively from their own homes. The trustees continue to review the financial risks presented by the ongoing uncertainty and forecasting regularly takes place to calculate the potential impact on Racing Welfare's financial resilience over the following 12 months.

The biggest impact continues to be on fundraising income, dividend income and beneficiary hardship grants. With lockdown restrictions anticipated to be lifted in June 2021, the fundraising team has been able to postpone the majority of fundraising events to allow them to take place later in the year. We will hold some of the virtual events that were so successful last year and brought the added benefit of raising our profile further within the industry. Covid hardship grants, funded by the John Pearce Foundation, and administered by Racing Welfare, continue to be made available to those working in horse racing facing financial hardship due to the pandemic. This mitigates the risk of Racing Welfare having increased costs associated with financial hardship grants. The forecasts also show a significant cost saving across fundraising and administration costs, the effect of new working practices reducing travel and office costs. The net effect of the significant reduction in income, set against reduced costs, delivers a deficit for the year that will still leave positive reserves in the general reserve and cash flow projections do not require the liquidation of equity investments in the 12 month period from the approval of the accounts.

The market valuation of the investments continues to be below pre-Covid levels as at the date of the approval of the accounts, but as there is no requirement to liquidate the investments this does not pose a risk to going concern. Based on this information the trustees are satisfied that no issues were identified that would give rise to a going concern risk.

### Principal risks and uncertainties

Racing Welfare is responsible for ensuring that effective and adequate risk management and internal control systems are in place to manage the major risks to which the charity is exposed. A formal risk management process to assess business risks and implement risk management strategies is in place. 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. As part of this process the trustees keep under constant review the adequacy of the charity's internal control systems. The Finance, Investment & Audit Committee review the risk register annually and the senior management team review the risk register quarterly.

# TRUSTEES' REPORT

## Financial Review continued

### Principal Risks and Uncertainties (continued)

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

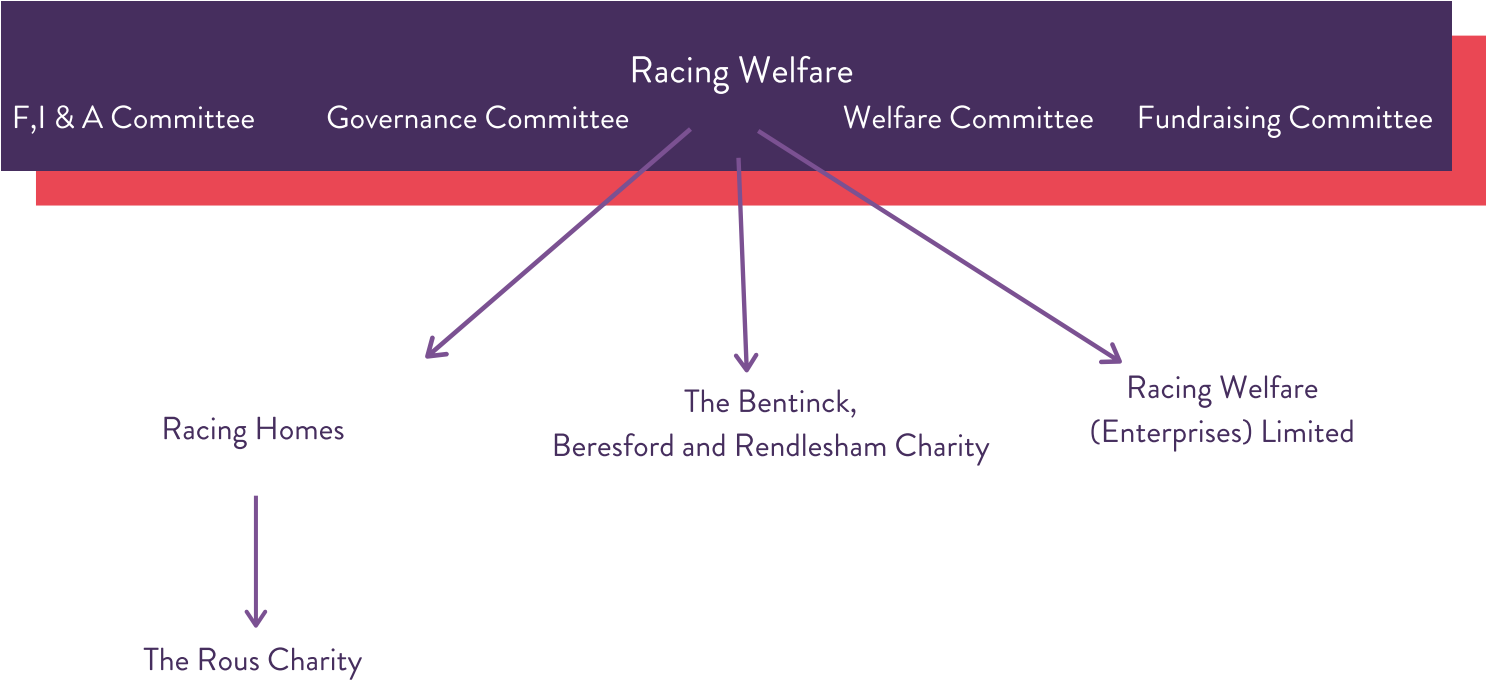
Risk Description	Risk Mitigation
<b>Failure to protect vulnerable adults and young people:</b>	<ul style="list-style-type: none"> <li>• All staff are appropriately vetted in accordance with law and current regulations. The charity adopts Racing Welfare's safeguarding policy which is regularly reviewed by dedicated safeguarding staff. Safeguarding training is undertaken by all staff. DBS checks are carried out on all trustees. All line managers undergo Safer Recruitment training.</li> </ul>
<b>Failure to comply with GDPR:</b>  Failure to comply may result in a data breach causing reputational damage and financial losses to the Charity.	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Breach of Health and Safety Regulations:</b>  A breach of H&S regulation may result in injury to tenants, beneficiaries or staff or damage to property resulting in financial losses and reputational damage.	<ul style="list-style-type: none"> <li>• 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, with records held on a property compliance database.</li> </ul>
<b>Business interruption risk:</b>  Business interruption due to something outside of the control of the charity e.g. Covid-19 could result in loss of operation and service, with potential effects being loss of income, breach of health and safety.	<ul style="list-style-type: none"> <li>• The charity has a business interruption plan which covers all issues relating to loss of office space, loss or damage to essential operational equipment and data. The charity is provided with IT support by The Jockey Club IT department. All staff are provided with laptops and VPN access to enable remote working and remote working processes have been introduced to enable virtual meetings and e-sign authorisations.</li> </ul>
<b>Stock Market volatility:</b>  Market volatility may impact upon both levels of investment income generated and the real value of the funds held.	<ul style="list-style-type: none"> <li>• 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.</li> </ul>
<b>Covid-19:</b>  Future outbreaks may result in cancelled fundraising events, continued reduction in income from investments and higher demand on our services.	<ul style="list-style-type: none"> <li>• The charity has been able to rearrange the events calendar and introduced virtual fundraising events that are not affected by social restrictions. The FI&amp;A committee continue to monitor the investment portfolio to ensure it meets its objectives. The charity continues to administer grants to those facing hardship as a result of Covid-19 which are fully funded, reducing the demand on general grants from unrestricted funds.</li> </ul>



# TRUSTEES' REPORT

## Governance and Structure

### Our Governance, Structure and Management Group Structure



Racing Welfare is constituted as a company limited by guarantee, with governance arrangements set out in a Memorandum and Articles of Association. The Jockey Club is the sole member.

Racing Welfare is the sole shareholder of Racing Welfare (Enterprises) Limited and the sole trustee of the Bentinck, Beresford and Rendlesham Charity.

Racing Welfare is also the sole member of Racing Homes. Racing Homes is the sole trustee of the Rous Charity.

‘The Group’ is the Racing Welfare group of Companies including Racing Welfare, Racing Homes, The Rous Charity, The Bentinck, Beresford and Rendlesham Charity and Racing Welfare (Enterprises) Ltd.

The Board of Trustees administers the charity. The board meets at least three times a year for a full board meeting and sub-committees are used to concentrate on key projects to bring value to the development of the organisation and support the full board. Each body is comprised of at least three trustees. The committee members have been selected on the basis of their particular interest and skills in the business of the respective committee. Each committee has been assigned specific terms of reference, with decisions on policy and strategy being referred to the main Board of Trustees for approval. At the start of 2021, the charity launched a recruitment campaign to fill skills and experience gaps following a skills audit undertaken in the latter part of 2020.

# TRUSTEES' REPORT

## Governance and Structure continued

### **Finance, Investment & Audit Committee**

The committee is responsible for the review of the operational plans and budgets, the setting and monitoring of investment policy, reviewing the effectiveness of internal controls and risk management systems, remuneration, the monitoring and oversight of external auditors and the integrity of the internal financial reporting and the group's consolidated financial statements.

### **Welfare Committee**

The committee is responsible for the review of welfare policy, plans and budgets, the monitoring of welfare trends, the balance of skills and resources needed to implement the plans and policy and for reviewing complex cases.

### **Fundraising Committee**

The committee is responsible for the review of income generation policy, plans and budgets and the oversight of the fundraising and communications programme. In particular, it provides a means of mobilising support for events and establishing effective links with potential donors.

### **Governance Committee**

The committee is responsible for assisting the board of trustees in meeting its responsibilities in relation to the governance of the organisation, compliance with company and charity law and good practice. In particular, the committee is tasked with enacting practical and meaningful adoption of the Charity Governance Code, monitoring changes to the recommendations from the Charity Commission and setting best practice in governance

### **Governance**

Racing Welfare is constituted as a company limited by guarantee, with governance arrangements set out in a Memorandum and Articles of Association. The Jockey Club is the sole member.

The trustees have fully adopted the Charity Governance Code. One of the outcomes of the adoption of the code was the creation of the Governance Committee in 2019, and 2020 saw a number of improvements implemented as a result of the work generated by the new committee.



# TRUSTEES' REPORT

## Governance and Structure continued

### Governance (continued)

The initial review of the charity's performance against the Charity Governance Code provided a score given for each of the seven principles and identified the priorities in 2020 of improving diversity and inclusion as well as reviewing board effectiveness.

An overhaul of the trustee recruitment process and improvements to the trustee/committee members induction was carried out. A trustee skills audit was undertaken and the commencement of a recruitment campaign to attract 6 new committee members across both Racing Welfare and Racing Homes was actioned. The new process was a success in attracting not only more candidates than ever before, but it also attracted a more diverse range of candidates. A new Racing Homes tenant panel will be created in 2021 to ensure that our beneficiaries have the opportunity to speak directly with trustees annually.

A thorough review of board effectiveness was undertaken with a facilitated session with the chairs of each committee. The session highlighted the strengths and weaknesses, challenges and opportunities the board meetings faced and introduced a number of impactful changes including investment in a new virtual boardroom software, a reconfiguration of agendas and improvements to the quality and quantity of board papers. One of the biggest improvements was the creation of Trustee strategy days. These days sit outside the board meetings and are interactive sessions in which only the strategy of the charity is discussed. The main strategy day is followed by 2-3 further sessions where trustees and the executive can focus on the identified key issues the charities should be focused on over the next 1-5 years.

### Trustees

The Articles of Association stipulate that the charity should have between nine and twelve trustees, although this may be otherwise determined by passing an Ordinary Resolution. One-third of the board retires by rotation each year. The Member appoints trustees solely on the recommendation of the board. All members of the board have given their time voluntarily and receive no benefits from the charity. The board is charged to use its best endeavours to ensure the composition of the board at any time represents an appropriate balance of skills including knowledge and experience of housing matters as well as activities within the horseracing industry. The newly implemented trustee recruitment process requires any trustee to join firstly as a committee member and serve at least 12 months' prior to being considered by the board for trusteeship. New committee members are recruited according to any gaps identified by the trustee skills audit and a recruitment process is followed involving extensive advertising via internal and external channels. Each position's recruitment strategy is developed according to the specialism required and is signed off by the Chief Operating Officer who sits on the Governance Committee. The process has been designed to improve diversity on the board. All new committee members and trustees are provided with an induction programme so that they can fulfil their role on the Board. Trustees are DBS checked are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

During the year Gary Middlebrook retired having served the full term of 9 years. Gary brought significant construction expertise to the Racing Homes Committee, as well as being a significant fundraiser for Racing Welfare. The trustees and executive are hugely grateful for the time, experience, energy and passion Gary brought to the organisation and he will be greatly missed.



# TRUSTEES' REPORT

## Governance and Structure continued

### Related parties and co-operation with other organisations

No trustees receive remuneration or other benefits from their work with the charity. Relationships between the charity and related parties, including its subsidiary undertakings, and with any other charities and organisations with which it cooperates in the pursuit of its charitable objectives, must be disclosed. In the current year the charity co-operated with the following organisations in the pursuit of its charitable objectives:

- The Racing Centre – this charity provides leisure facilities for the horseracing community and as such Racing Welfare provides a grant in support of this work. The Newmarket-based welfare officers occupy offices within their building to provide ease of access for beneficiaries and to improve promotion of our services.
- Epsom Racing Staff Welfare – this charity provides housing for working staff in the racing centre of Epsom. Racing Welfare provides fundraising services, property management services and finance and administration services free of charge due to the aligned objectives of the charity with both Racing Homes and Racing Welfare.
- NTFCT Charitable Trust – this charity provides grants to individuals from the horse racing industry for career development. Racing Welfare provides the financial management of this charity at a small fee and administers the grants via our welfare team free of charge due to the aligned objectives with Racing Welfare.

### Grant Making

Racing Welfare is a grant-making charity and awards grants to both beneficiaries and in some circumstances other organisations, in pursuit of delivering its objectives. The charity has a rigorous grant-making policy which is updated regularly and covers priorities and purpose of grants, principles in determining grant decisions, grant application process, due diligence, administration and decision making. Strong internal controls around grant giving are in place and sufficient segregation of duties, coupled with specially designed processes, limit the opportunity for fraud.



# TRUSTEES' REPORT

## Governance and Structure continued

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### **Volunteers**

The charity has a team of volunteers who are tasked with assisting the fundraising team at events. The number of active volunteers by the end of 2020 was 76 (2019 – 74). In 2020 these volunteers were involved in only 2 different events due to Covid restrictions (2019 – 55) but 21 volunteers were actively involved in the newly launched befriending service (2019 – nil). In total, we have 108 volunteers registered with the charity.

### **Fundraising**

The fundraising strategy of the charity is to develop each individual channel of income whether it be from individual giving, corporate fundraising, trusts and foundations, events or community fundraising. The Fundraising Team manages and delivers this strategy on a day to day basis, under the guidance of the Head of Fundraising who in turn reports to the COO and the Fundraising and Communications Committee.

- The individual giving channel seeks to secure one-off and regular gifts as well as legacies.
- The charity has established working relationships with a number of corporate supporters to deliver income from different companies and their customers. These include racecourses, studs and auction houses as well as bookmakers and retailers.
- Trusts and foundations provide the charity with a major source of income.
- The charity runs its own diverse calendar of events around the country which includes race days, open days, boxing and golf events and awards dinners.
- Community fundraising brings together the charity's supporters and volunteers across the country. This is through activities like challenge events, including the London Marathon, bucket collections and third-party events run by individuals or groups looking to support the charity.

The charity prides itself on its high standard of stewardship of its supporters. We have adopted an opt-in policy, with regard to communications, to comply with current regulations and are a member of the Institute of Fundraising. There have been no complaints received in the year.

The charity communicates with its supporters via e-mail as far as possible. It has not undertaken any direct mail campaigns, to protect vulnerable people and ensure no one feels under any pressure to give money. Corporate agreements are entered into where required to provide clarity and enable progress and outcomes to be monitored.

The charity's fundraising performance is monitored by its trustees through quarterly management accounts which include a return on investment calculation to show the overall effectiveness of the fundraising team.

### **Employment Practices and Pay**

Racing Welfare is developing its Diversity, Inclusion and Equality agenda. Our Diversity and Inclusion (D&I) champion is actively working with senior management team to help ensure that nurturing a diverse and inclusive working environment, where we attract the full range of talent and everyone can be themselves, is embedded within all processes and policies within the charities. The D & I Champion is also a member of the Jockey Club's Equality, Diversity and Inclusion Group.

# TRUSTEES' REPORT

## Governance and Structure continued

The charity has reviewed its policy on remuneration and has developed and adopted a salary structure and package which are internally consistent and are comparable with other charities in the sector and which recognise performance.

The Finance, Investment and Audit Committee is responsible for the remuneration terms and conditions of the Chief Executive and general pay and remuneration terms of all employees, including the senior management team. When setting pay and annual pay awards, reference is made to salary surveys and industry benchmarks. Subject to affordability, the charity's policy has been to award an annual pay rise consistent with increases in cost of living indices and having regard to the level of pay award agreed by the Jockey Club. Day to day recruitment and pay for staff is delegated to the Chief Executive.

The Racing Welfare group is passionate about promoting positive mental health and wellbeing across the racing industry but also within its own walls. The group provides flexible working options to help promote a good work/life balance and to support those with families and caring responsibilities. The senior management has an ongoing agenda of reviewing the wellbeing of the workforce, introducing new initiatives, consulting with employees and undertaking specific training to improve leadership. This is all with the aim of maximising employee potential and satisfaction. In 2020 the organisation took part in a staff satisfaction survey. The results reported that: 78% of staff felt valued for the contribution they made to the organisation; 100% believed that Racing Welfare works in the best interest of racing; 53% felt the information on charity matters is open, transparent and freely shared when appropriate and 89% felt encouraged, supported to learn, and developed to be able to do my best work.

An extensive learning and training programme is afforded to every employee with a mixture of online learning opportunities as well as traditional courses and qualifications. Each year the Racing Welfare group hosts two, two-day staff forums where all staff meet for a programme of training and strategy setting. This was not possible in 2020 due to Covid restriction so instead a series of online sessions were held. Employee Health and Safety is maintained via use of the Jockey Club's Health and Safety online training programme, Human Focus. This provides high quality training and efficient monitoring and relevant modules are mandatory for all staff

### **Environmental**

The charity is conscious of monitoring the environmental impact that it makes. We have a green champion that sits on the Jockey Club's Green Champion Board and the trustees have prioritised ESG (Environmental, social and governance) for 2021. Racing Homes and Racing Welfare are making the first steps in creating a decarbonisation strategy for the group by working with Jockey Club Estates in an externally provided review of the business. The trustees are committed to becoming carbon neutral by 2050.



# STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are 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 Trustees 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 Trustees are 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 Trustees are 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. They are 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.

## Statement as disclosure to our auditors

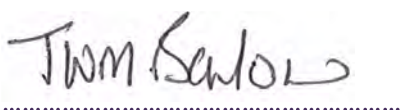
In accordance with company law, the trustees, as the company's directors, certify that

- so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware.
- each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

## 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 .....10th June 2021..... and signed on its behalf:



William Barlow (Chair)

# INDEPENDENT AUDITOR'S REPORT

## Opinion

We have audited the financial statements of Racing Welfare (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Statement of Financial Position, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and the parent charitable company's affairs as at 31 December 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

## Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

# INDEPENDENT AUDITOR'S REPORT

## 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within 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 the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

## Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 31, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the



# INDEPENDENT AUDITOR'S REPORT

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## **Responsibilities of trustees (continued)**

preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Irregularities 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 group audit engagement team:

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

# INDEPENDENT AUDITOR'S REPORT

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company'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 group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, 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 our report

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

CLAIRE SUTHERLAND (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory  
Auditor  
Chartered Accountants  
Abbotsgate House  
Hollow Road  
Bury St Edmunds  
Suffolk  
IP32 7FA

Date 30 June 2021

# STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

	Note	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Endowment funds 2020 £'000	Total funds 2020 £'000	Total funds 2019 £'000
						(Note 25)
<b>INCOME FROM:</b>						
Donations and legacies	2	2,435	1,481		3,916	2,069
Charitable activities		833	-	-	833	645
Other trading activities: Fundraising events		282	40	-	322	659
Investments	3	238	-	-	238	552
Other income		47	-	-	47	4
<b>TOTAL INCOME</b>		<b>3,835</b>	<b>1,521</b>	<b>-</b>	<b>5,356</b>	<b>3,929</b>
<b>EXPENDITURE ON:</b>						
Raising funds		399	-	-	399	618
Charitable activities		1,547	1,736	22	3,305	3,205
<b>TOTAL EXPENDITURE</b>	4	<b>1,946</b>	<b>1,736</b>	<b>22</b>	<b>3,704</b>	<b>3,823</b>
<b>BEFORE GAINS AND LOSSES ON INVESTMENTS</b>		<b>1,889</b>	<b>(215)</b>	<b>(22)</b>	<b>1,652</b>	<b>106</b>
Net (losses)/gains on investments	10	(1,540)	-	(242)	(1,782)	1,856
<b>NET (EXPENDITURE)/INCOME FOR THE YEAR</b>		<b>349</b>	<b>(215)</b>	<b>(264)</b>	<b>(130)</b>	<b>1,962</b>
Transfers between funds		(499)	499	-	-	-
<b>NET MOVEMENTS IN FUNDS</b>		<b>(150)</b>	<b>284</b>	<b>(264)</b>	<b>(130)</b>	<b>1,962</b>
<b>Reconciliation of funds:</b>						
Balances brought forward		19,060	7,931	2,987	29,978	28,016
Balances carried forward		<b>18,910</b>	<b>8,215</b>	<b>2,723</b>	<b>29,848</b>	<b>29,978</b>



# STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2020

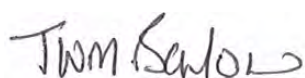
Company number 04116279

		2020		2019	
	Note	Group £'000	Charity £'000	Group £'000	Charity £'000
<b>FIXED ASSETS</b>					
Intangible fixed assets	8	162	-	164	-
Tangible fixed assets	9	15,607	1,686	15,688	1,649
Investments:					
Investments	10	14,573	12,335	15,355	12,825
Programme related investments	11	58	58	57	57
		<u>30,400</u>	<u>14,079</u>	<u>31,264</u>	<u>14,531</u>
<b>CURRENT ASSETS</b>					
Debtors	12	678	668	582	799
Cash at bank and in hand		<u>1,186</u>	<u>389</u>	<u>436</u>	<u>169</u>
		<u>1,864</u>	<u>1,057</u>	<u>1,018</u>	<u>968</u>
<b>LIABILITIES</b>					
<b>CREDITORS: amounts falling due within one year</b>	13	(683)	(470)	(530)	(256)
<b>NET CURRENT ASSETS</b>		<u>1,181</u>	<u>587</u>	<u>488</u>	<u>712</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		31,581	14,666	31,752	15,243
<b>CREDITORS: amounts falling due after more than one year</b>	14	(1,733)	-	(1,774)	-
<b>NET ASSETS</b>		<u>29,848</u>	<u>14,666</u>	<u>29,978</u>	<u>15,243</u>
<b>THE FUNDS OF THE CHARITY:</b>					
Unrestricted funds:					
General fund		1,737	1,270	1,175	1,014
Designated funds:					
Other designated funds		17,173	12,888	17,885	13,593
Total unrestricted funds		<u>18,910</u>	<u>14,158</u>	<u>19,060</u>	<u>14,607</u>
Restricted funds:					
Other restricted funds		<u>8,215</u>	<u>508</u>	<u>7,931</u>	<u>636</u>
Total restricted funds		<u>8,215</u>	<u>508</u>	<u>7,931</u>	<u>636</u>
Endowment funds		2,723	-	2,987	-
<b>TOTAL FUNDS</b>	15/16	<u>29,848</u>	<u>14,666</u>	<u>29,978</u>	<u>15,243</u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

A separate SOFA has not been presented for the Charity as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The charity reported net expenditure before investment gains and losses of £870k (2019: net expenditure of £11k), with investment losses of £1,447k (2019: gains of £1,514k).

The financial statements on pages 25 to 61 of Racing Welfare, were approved by the Board of Trustees on 10th June 2021 and signed on its behalf by:



J W M Barlow (Chairman)

# STATEMENT OF FINANCIAL CASHFLOWS

for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
<b>Cash provided by operating activities</b>	18	<u>2,144</u>	<u>450</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(353)	(1,695)
Purchase of investments		(6,302)	-
Proceeds from sale of investments		<u>5,302</u>	<u>300</u>
<b>Net cash used in investing activities</b>		<u>(1,353)</u>	<u>(1,395)</u>
<b>Cash flows from financing activities</b>			
Repayment of loans		(41)	(30)
<b>Net increase \ (decrease) in cash and cash equivalents</b>		<u>750</u>	<u>(975)</u>
<b>Cash and cash equivalents at 1 January</b>	19	436	1,411
<b>Cash and cash equivalents at 31 December</b>	19	<u>1,186</u>	<u>436</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 1. ACCOUNTING POLICIES

Racing Welfare is a charitable company, limited by guarantee, registered in England and Wales. The company's registered number and registered address can be found on the Company Information page.

### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, with the exception of certain fixed assets and investments which are included at market value or deemed cost. 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- (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

### **Going Concern**

On 11 March 2020 the World Health Organisation declared a global pandemic, COVID-19. The trustees have continued to review the financial risks presented by this uncertainty and monitor the ongoing impact of the COVID-19 outbreak on Racing Welfare's financial resilience over the next 12 months. Details of the steps the Group has taken to mitigate the impact and ensure short- and long-term sustainability can be found in the Trustees' Report.

The Trustees have a reasonable expectation that the charitable company and the group have adequate resources to continue in operational existence for the foreseeable future and the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### **Consolidated Accounts**

The statement of financial activities (SOFA) and statement of financial position consolidate the financial statements of the Charity, its subsidiary undertaking and entities of which it has control. The results of the subsidiaries are consolidated on a line by line basis.

A separate SOFA has not been presented for the Charity as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

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



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

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## 1. ACCOUNTING POLICIES (continued)

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.

### Income

All income is included in the SOFA when the Charity is legally entitled to the income, it is probable that it will be received and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received. Where there is a life interest, the donated asset is excluded until the life interest expires.

Income from grants is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

### Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

Expenditure on charitable activities includes costs directly incurred in undertaking these activities. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with use of the resources.

Grants payable are payments made to third parties in the furtherance of the charitable objectives of the Charity. Single or multi year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the Trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and any condition attaching to the grant is outside of the control of the Charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs are those functions that assist the work of the Charity but do not directly constitute charitable activities. Support costs include office costs, finance, personnel, payroll, and governance costs which support the charity's activities. These costs have been allocated between costs of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the notes.

### Fund Accounting

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 1.ACCOUNTING POLICIES (continued)

### Fund Accounting (continued)

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the note 15 to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Endowment funds represent funds received in the past where the donors have stipulated that the income may be used for general purposes, but the capital must be retained.

### Irrecoverable VAT

All expenditure is classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of expense for which it was incurred.

### Intangible Fixed Assets

Nomination rights cover the right to nominate 6 residents to Childwick House, Newmarket. They are depreciated in equal amounts over a period of 125 years.

### Tangible Fixed Assets

Freehold and leasehold land and buildings are stated at cost and deemed cost, the company having taken advantage of the exemption in Paragraph 35.10(d) of FRS 102 to use the valuation at the date of transition as deemed cost.

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Freehold land	nil
Freehold and long leasehold buildings	over 50 years/life of the lease
Equipment and motor vehicles	over 3 to 4 years

No depreciation is charged on assets in the course of construction.

### Investments

Investments in subsidiaries and Trophies are stated at cost less provision for any impairment. Investments listed at the stock exchange are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 1.ACCOUNTING POLICIES (continued)

### Programme related investments and concessionary loans

In accordance with 21.26 of the Charities SORP (FRS 102) the Charity has opted to recognise and measure the loans at the amount paid, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

### Leases

Operating lease rentals are charged to expenditure in equal annual amounts over the lease term.

### Pensions

Pension costs disclosed in the accounts relate to employer contributions towards employees' stakeholder and personal pension schemes. The Charity does not operate its own pension scheme.

### 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.DONATIONS, LEGACIES AND GRANTS

	2020 £'000	2019 £'000
Donations	1,848	405
Legacies	269	12
Grants	1,799	1,652
	<u>3,916</u>	<u>2,069</u>

## 3. INVESTMENT INCOME

	2020 £'000	2019 £'000
Interest receivable	1	3
Dividends received from investment and unit trusts	237	549
	<u>238</u>	<u>552</u>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 4. TOTAL EXPENDITURE

	Activities undertaken directly 2020 £'000	Grant funding of activities 2020 £'000	Support costs 2020 £'000	Total 2020 £'000	Total 2019 £'000
<b>Cost of raising funds</b>					
Fundraising	100	-	47	147	94
Fundraising events:	206	-	47	253	524
	<u>306</u>	<u>-</u>	<u>93</u>	<u>399</u>	<u>618</u>
<b>Charitable activities</b>					
Advice and Guidance	423	68	169	660	683
Financial assistance	6	238	-	244	209
Welfare Projects	929	-	257	1,186	1,216
Healthy living & well-being	24	60	-	84	124
Community	1	-	-	1	5
Regional Volunteer Manager	-	-	-	-	8
Housing	902	-	71	973	854
Communications and advocacy	111	-	46	157	106
	<u>2,396</u>	<u>366</u>	<u>543</u>	<u>3,305</u>	<u>3,205</u>
<b>TOTAL EXPENDITURE</b>	<u>2,702</u>	<u>366</u>	<u>636</u>	<u>3,704</u>	<u>3,823</u>

Included within support costs are audit fees, payable to RSM UK Audit LLP, of £15,450, of which £9,530 relate to the charity (2019: £15,000; £8,500 relate to the charity).

Grant funding of activities is analysed as follows:

	Grants to individuals 2020 £'000	Grants to institutions 2020 £'000	Total 2020 £'000	Total 2019 £'000
Advice & guidance	-	68	68	66
Financial assistance	238	-	238	207
Healthy living and well-being	-	60	60	44
	<u>238</u>	<u>128</u>	<u>366</u>	<u>317</u>
			<b>2020 £'000</b>	<b>2019 £'000</b>
Payments to individuals			238	170
Racing Centre			35	44
Life Skills			25	37
Sports Chaplaincy UK			68	66
			<u>366</u>	<u>317</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 4. TOTAL EXPENDITURE (continued)

Support costs allocation	Human Resources 2020 £'000	Admin Costs 2020 £'000	Premises Costs 2020 £'000	IT Costs 2020 £'000	Governance Costs 2020 £'000	Total 2020 £'000	Total 2019 £'000
<b>Cost of raising funds</b>							
Cost of fundraising, fundraising events and trading	52	17	8	1	15	93	78
<b>Charitable activities</b>							
Advice & guidance	97	30	14	2	26	169	266
Welfare Projects	172	55	25	5	-	257	16
Housing	35	11	5	1	19	71	31
Communications and advocacy	26	8	4	1	7	46	31
<b>TOTAL SUPPORT COSTS</b>	<b>382</b>	<b>121</b>	<b>56</b>	<b>10</b>	<b>67</b>	<b>636</b>	<b>422</b>

Support costs are allocated on the basis of the number of staff working directly on charitable activities.

## 5. TRUSTEES' REMUNERATION

No remuneration was paid to trustees during the year or the preceeding year. During the year, travel expenses totalling £nil were claimed (2019: £1,224, by two trustees) and £1,000 (2019: £5,405) of donations were received from trustees.

## 6. STAFF COSTS

	2020 £'000	2019 £'000
Wages and salaries	1,424	1,139
Social security costs	140	110
Pension costs	125	98
	<u>1,689</u>	<u>1,347</u>
The number of employees who received total employee benefits (excluding pension contributions) of more than		
	2020	2019
£60,000 - £70,000	1	-
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-
£100,000 - £110,000	-	1
£110,000 - £120,000	1	-
	<u>1</u>	<u>-</u>
The average number of employees, analysed by function, was:		
	2020 No	2019 No
Charitable activities	33	27
Fundraising	6	5
Management and administration of the Charity	8	8
	<u>47</u>	<u>40</u>

During the year remuneration received by key management personnel totalled £410k (2019: £359k). Key management personnel are the Chief Executive, Chief Operating Officer, Director of Welfare and Head of Fundraising, Head of Finance (from October 2020) and Head of Programmes (from October 2020).

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 7. PENSION COSTS

The Charity contributes to various money purchase pension schemes, including a stakeholder pension scheme operated by an independent organisation. The cost for the year was £125k (2019 - £98k). At the year end the amount due in creditors in respect of pension contributions was £12k (2019 - £10k).

## 8. INTANGIBLE FIXED ASSETS

Group	Nomination Rights £'000
<b>Cost</b>	
At 1 January 2020 and at 31 December 2020	198
<b>Amortisation</b>	
At 1 January 2020	34
Charge for the year	2
At 31 December 2020	36
<b>Net book value</b>	
At 31 December 2020	162
At 31 December 2019	164

## 9. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Leasehold buildings £'000	Equipment and motor vehicles £'000	Total £'000
<b>Cost or deemed cost</b>				
At 1 January 2020	15,615	341	1,055	17,011
Additions	54	-	199	253
At 31 December 2020	15,669	341	1,254	17,264
<b>Depreciation</b>				
At 1 January 2020	952	43	328	1,323
Charge for the year	227	11	96	334
At 31 December 2020	1,179	54	424	1,657
<b>Net book value</b>				
At 31 December 2020	14,490	287	830	15,607
At 31 December 2019	14,663	298	727	15,688

Freehold land and buildings includes freehold land of £3,837k (2019: £3,837k) that is not depreciated.

Freehold land and buildings are included at deemed cost, the group having taken advantage of the exemption in Paragraph 35.10(d) of FRS 102 to use the valuation at the date of transition as deemed cost.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 9. TANGIBLE FIXED ASSETS (continued)

Charity	Freehold land and buildings £'000	Equipment and motor vehicles £'000	Total £'000
<b>Cost or deemed cost</b>			
At 1 January 2020	1,651	264	1,915
Additions	40	52	92
At 31 December 2020	<u>1,691</u>	<u>316</u>	<u>2,007</u>
<b>Depreciation</b>			
At 1 January 2020	51	215	266
Charge for the year	13	42	55
At 31 December 2020	<u>64</u>	<u>257</u>	<u>321</u>
<b>Net book value</b>			
At 31 December 2020	<u>1,627</u>	<u>59</u>	<u>1,686</u>
At 31 December 2019	<u>1,600</u>	<u>49</u>	<u>1,649</u>

Freehold land and buildings are included at deemed cost, the company having taken advantage of the exemption in Paragraph 35.10(d) of FRS 102 to use the valuation at the date of transition as deemed cost.

Freehold land and buildings includes freehold land of £433k (2019: £433k) that is not depreciated.

Historic cost	2020 £'000	2019 £'000
<b>Group</b>		
Gross cost	14,431	14,377
Accumulated depreciation on historic cost	(2,554)	(2,319)
	<u>11,877</u>	<u>12,057</u>
<b>Charity</b>		
Gross cost	1,691	1,651
Accumulated depreciation on historic cost	(64)	(51)
	<u>1,627</u>	<u>1,600</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 10. INVESTMENTS HELD AS FIXED ASSETS

	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
<b>Listed securities:</b>				
Market value at 1 January	15,340	12,810	13,784	11,596
Additions	6,302	5,408	-	-
Disposals	(5,302)	(4,408)	(300)	(300)
Net investment (losses)/gains	(1,782)	(1,490)	1,856	1,514
Market value at 31 December	<u>14,558</u>	<u>12,320</u>	<u>15,340</u>	<u>12,810</u>
Historic cost at 31 December	<u>12,772</u>	<u>10,917</u>	<u>10,784</u>	<u>9,181</u>
<b>Listed investments are represented by:</b>				
Trojan Income Fund (S Income)	5,478	4,148	9,911	7,381
Trojan Fund (S Income)	5,789	4,881	-	-
Majedie UK Equity Fund X Income Shares	<u>3,291</u>	<u>3,291</u>	<u>5,429</u>	<u>5,429</u>
	<u>14,558</u>	<u>12,320</u>	<u>15,340</u>	<u>12,810</u>
Trophies	15	15	15	15
	<u>14,573</u>	<u>12,335</u>	<u>15,355</u>	<u>12,825</u>

### Investments in subsidiaries:

The company holds all the share capital of the following company:

Racing Welfare (Enterprises) Limited

Trading subsidiary

The company is registered in England and Wales and has a co-terminus year end.

## 11. PROGRAMME RELATED INVESTMENTS

	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
At 1 January 2020	57	57	54	54
Interest charged	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>
At 31 December 2020	<u>58</u>	<u>58</u>	<u>57</u>	<u>57</u>

The programme related investments are loans made to Epsom Racing Staff Welfare (formerly Epsom Training and Development Fund) to facilitate the provision of affordable housing to racing staff in Epsom. The first loan was made in 2006 with a loan term of 25 years and interest is accruing at the Bank of England base rate plus 0.1%. A second loan was made in 2009 with a loan term of 25 years and interest accruing at the Bank of England base rate plus 0.1% and subject to a minimum rate of 2.5%. Repayment of these loans was frozen during the year pending further consideration of the relationship with the charity, Epsom Racing Staff Welfare.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 12. DEBTORS

	Group 2020 £'000	Charity 2020 £'000	Group 2019 £'000	Charity 2019 £'000
<b>Due within one year</b>				
Trade debtors	34	7	48	18
Sundry debtors	12	1	6	1
Due from group charities	-	50	36	292
Due from connected charities	55	55	58	58
Prepayments and accrued income	555	533	373	369
	<u>656</u>	<u>646</u>	<u>521</u>	<u>738</u>
 Sundry debtors due after more than one year	 22	 22	 61	 61
	<u>678</u>	<u>668</u>	<u>582</u>	<u>799</u>

Sundry debtors due after more than one year consist of secured loans of £22k (2019: £61k). These loans, made for charitable purposes, are secured by legal charges over property.

## 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	101	55	200	102
Taxation and social security costs	49	46	36	34
Sundry creditors	223	221	11	12
Accruals and deferred income	257	136	233	99
Pension contributions	13	12	10	9
Mortgages for housing due within 1 year	40	-	40	-
	<u>683</u>	<u>470</u>	<u>530</u>	<u>256</u>

## 14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Mortgage on Jack Jarvis Close	93	-	94	-
Loan on Summerhill House	1,640	-	1,680	-
	<u>1,733</u>	<u>-</u>	<u>1,774</u>	<u>-</u>
 Analysis of mortgage repayable by instalments:				
In less than one year	40	-	40	-
Between one and two years	41	-	41	-
Between two and five years	122	-	122	-
After five years	1,570	-	1,611	-
	<u>1,773</u>	<u>-</u>	<u>1,814</u>	<u>-</u>

The mortgage on Jack Jarvis Close is secured on those properties, bears interest at 15% per annum and is repayable over a period of 60 years from 1980.

A new loan was taken out in 2018, secured against Summerhill House, Howard de Walden Way, Newmarket. The loan bears interest of 3.55% and is repayable over a period of 10 years from 2018 at £40k p.a with a break clause after 5 years. The balance will be paid on the maturity date.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 15. STATEMENT OF FUNDS

GROUP	At 1 January 2020 £'000	Income £'000	Expenditure £'000	Gains / (losses) £'000	Transfers £'000	At 31 December 2020 £'000
<b>General reserve</b>	1,175	3,835	(1,438)	(50)	(1,785)	1,737
<b>Designated funds:</b>						
Income fund	11,448	-	-	(1,490)	1,000	10,958
Fixed asset fund	5,958	-	(255)	-	286	5,989
Housing development fund	439	-	(253)	-	-	186
Extraordinary repairs fund	40	-	-	-	-	40
<b>Total unrestricted funds</b>	<b>19,060</b>	<b>3,835</b>	<b>(1,946)</b>	<b>(1,540)</b>	<b>(499)</b>	<b>18,910</b>
<b>Restricted funds</b>						
Mental Health & Addiction support	21	341	(347)	-	-	15
Chaplaincy	-	10	(10)	-	-	-
Racing Support Line	-	84	(84)	-	-	-
Qatar Racing	88	-	-	-	(88)	-
Middleham	192	10	-	-	588	790
CATS	62	196	(223)	-	-	35
Beneficiaries holiday fund	40	50	-	-	(40)	50
YP Housing in Newmarket	44	39	(53)	-	-	30
IMO Collections	3	-	(3)	-	-	-
IMO Tim Jones MHFA	5	4	(3)	-	-	6
Occupational Health	113	483	(499)	-	(16)	81
Wellbeing Programme Management	26	22	(48)	-	-	-
Epsom Racing Staff Welfare	13	1	(14)	-	-	-
Mental Health Services	29	-	(29)	-	-	-
Mental Health Industry Lead	-	45	(32)	-	(13)	-
Covid Hardship grants	-	170	(169)	-	-	1
Festive food parcels	-	5	(5)	-	-	-
Welfare Support Officer Newmarket	24	-	(24)	-	-	-
Malton Office	-	10	(10)	-	-	-
Housing for racing people	7,247	-	(132)	-	92	7,207
Racing Homes Strategy Report	-	51	(51)	-	-	-
Housing Support Officer	24	-	-	-	(24)	-
<b>Total restricted fund</b>	<b>7,931</b>	<b>1,521</b>	<b>(1,736)</b>	<b>-</b>	<b>499</b>	<b>8,215</b>
<b>Endowment Funds</b>						
Housing for racing people	890	-	(22)	-	-	868
Betinck and Beresford	2,097	-	-	(242)	-	1,855
	<b>2,987</b>	<b>-</b>	<b>(22)</b>	<b>(242)</b>	<b>-</b>	<b>2,723</b>
<b>Total funds</b>	<b>29,978</b>	<b>5,356</b>	<b>(3,704)</b>	<b>(1,782)</b>	<b>-</b>	<b>29,848</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 15. STATEMENT OF FUNDS (continued)

GROUP	At 1 January 2019 £'000 (restated)	Income £'000	Expenditure £'000	Investment gains / losses £'000	Transfers £'000	At 31 December 2019 £'000
<b>General reserve</b>	1,696	2,313	(2,265)	58	(627)	1,175
<b>Designated funds:</b>						
Income fund	10,234	-	-	1,514	(300)	11,448
Fixed asset fund	5,559	-	(209)	-	608	5,958
Housing development fund	439	-	-	-	-	439
Extraordinary repairs fund	40	-	-	-	-	40
<b>Total unrestricted funds</b>	<b>17,968</b>	<b>2,313</b>	<b>(2,474)</b>	<b>1,572</b>	<b>(319)</b>	<b>19,060</b>
<b>Restricted funds</b>						
Mental Health & Addiction support	16	309	(304)	-	-	21
Chaplaincy	-	1	(1)	-	-	-
Racing Support Line	-	60	(60)	-	-	-
Qatar Racing	88	-	-	-	-	88
Database	2	-	(2)	-	-	-
Middleham	136	56	-	-	-	192
CATS	35	202	(175)	-	-	62
Beneficiaries holiday fund	-	40	-	-	-	40
Reducing Loneliness & Isolation	-	10	(10)	-	-	-
Management Training	2	-	(2)	-	-	-
YP Housing in Newmarket	85	169	-	-	(210)	44
IMO Collections	3	-	-	-	-	3
IMO Time Jones MHFA	-	14	(9)	-	-	5
Mental Health Research Project	-	10	(10)	-	-	-
Occupational Health	94	539	(520)	-	-	113
Wellbeing Programme Management	-	54	(28)	-	-	26
Epsom Racing Staff Welfare	-	38	(25)	-	-	13
Mental Health Services	-	90	(61)	-	-	29
Welfare Support Officer Newmarket	16	-	-	-	8	24
Communications Intern	2	-	(2)	-	-	-
Housing for racing people	6,845	-	(119)	-	521	7,247
Housing Support Officer	-	24	-	-	-	24
<b>Total restricted fund</b>	<b>7,324</b>	<b>1,616</b>	<b>(1,328)</b>	<b>-</b>	<b>319</b>	<b>7,931</b>
<b>Endowment Funds</b>						
Housing for racing people	911	-	(21)	-	-	890
Betinck and Beresford	1,813	-	-	284	-	2,097
	<b>2,724</b>	<b>-</b>	<b>(21)</b>	<b>284</b>	<b>-</b>	<b>2,987</b>
<b>Total funds</b>	<b>28,016</b>	<b>3,929</b>	<b>(3,823)</b>	<b>1,856</b>	<b>-</b>	<b>29,978</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 15. STATEMENT OF FUNDS (continued)

CHARITY	At 1 January 2020 £'000	Income £'000	Expend- iture £'000	Gains / losses £'000	Transfers £'000	At 31 December 2020 £'000
<b>General reserve</b>	1,014	2,996	(1,716)	-	(1,024)	1,270
<b>Designated funds:</b>						
Income fund	11,448	-	-	(1,490)	1,000	10,958
Fixed asset fund	1,706	-	(55)		93	1,744
Housing development fund	439	-	(253)	-	-	186
<b>Total unrestricted funds</b>	<b>14,607</b>	<b>2,996</b>	<b>(2,024)</b>	<b>(1,490)</b>	<b>69</b>	<b>14,158</b>
<b>Restricted funds</b>						
Mental Health & Addiction support	21	341	(347)	-	-	15
Chaplaincy	-	10	(10)	-	-	-
Racing Support Line	-	84	(84)	-	-	-
Qatar Racing	88	-	-	-	(88)	-
Middleham	192	10	-	-	88	290
CATS	62	196	(223)	-	-	35
Beneficiaries holiday fund	40	50	-	-	(40)	50
YP Housing in Newmarket	44	39	(53)	-	-	30
IMO Collections	3	-	(3)	-	-	-
IMO Tim Jones MHFA	5	4	(3)	-	-	6
Occupational Health	113	483	(499)	-	(16)	81
Wellbeing Programme Management	26	22	(48)	-	-	-
Epsom Racing Staff Welfare	13	1	(14)	-	-	-
Mental Health Services	29	-	(29)	-	-	-
Mental Health Industry Lead	-	45	(32)	-	(13)	-
Covid hardship grants	-	170	(169)	-	-	1
Festive food parcels	-	5	(5)	-	-	-
Malton Office	-	10	(10)	-	-	-
	<b>636</b>	<b>1,470</b>	<b>(1,529)</b>	<b>-</b>	<b>(69)</b>	<b>508</b>
<b>Total funds</b>	<b>15,243</b>	<b>4,466</b>	<b>(3,553)</b>	<b>(1,490)</b>	<b>-</b>	<b>14,666</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 15. STATEMENT OF FUNDS (continued)

CHARITY	At 1 January 2019 £'000	Income £'000	Expend- iture £'000	Investment gains / losses £'000	Transfers £'000	At 31 December 2019 £'000
<b>General reserve</b>	1,122	1,613	(1,718)	-	(3)	1,014
<b>Designated funds:</b>						
Income fund	10,234	-	-	1,514	(300)	11,448
Fixed asset fund	1,466	-	(55)		295	1,706
Housing development fund	439	-	-	-		439
<b>Total unrestricted funds</b>	<b>13,261</b>	<b>1,613</b>	<b>(1,773)</b>	<b>1,514</b>	<b>(8)</b>	<b>14,607</b>
<b>Restricted funds</b>						
Mental Health & Addiction support	16	309	(304)	-	-	21
Chaplaincy	-	1	(1)	-	-	-
Racing Support Line	-	60	(60)	-	-	-
Qatar Racing	88	-	-	-	-	88
Database	2	-	(2)	-	-	-
Middleham	136	56	-	-	-	192
CATS	35	202	(175)	-	-	62
Beneficiaries holiday fund	-	40	-	-	-	40
Reducing Loneliness & Isolation	-	10	(10)	-	-	-
Management Training	2	-	(2)	-	-	-
YP Housing in Newmarket	85	169	(210)	-	-	44
IMO Collections	3	-	-	-	-	3
IMO Tim Jones MHFA	-	14	(9)	-	-	5
Mental Health Research Project	-	10	(10)	-	-	-
Occupational Health	94	539	(520)	-	-	113
Wellbeing Programme Management	-	54	(28)	-	-	26
Epsom Racing Staff Welfare	-	38	(25)	-	-	13
Mental Health Services	-	90	(61)	-	-	29
Welfare Support Officer Newmarket	16	-	(24)	-	8	-
Communications Intern	2	-	(2)	-	-	-
	<b>479</b>	<b>1,592</b>	<b>(1,443)</b>	<b>-</b>	<b>8</b>	<b>636</b>
<b>Total funds</b>	<b>13,740</b>	<b>3,205</b>	<b>(3,216)</b>	<b>1,514</b>	<b>-</b>	<b>15,243</b>

### General reserve

The general reserve represents the free funds of the Charity and Group which are not designated for particular purposes; however, the designated income fund contains the major proportion of the Charity and Group's liquid reserves which if necessary can be accessed on a daily basis.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

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## 15. STATEMENT OF FUNDS (continued)

### Income fund

The income fund represents funds not invested by the general reserve (see note 16) the purpose of which is either to sustain the stability of the Charity and support (through the medium of investment income) its day-to-day operations: or to enable drawdown for the purpose of financing longer term investment.

### Fixed asset fund

The fixed asset fund sets aside funds equivalent to the net book value of both tangible and intangible fixed assets and programme related investments, and is intended to highlight the reserves allocated for such use.

### Housing development fund

The housing development fund sets aside funds for capital housing development projects. A programme of renovating units at the groups older schemes as they become vacant is underway, in order to ensure all accommodation is fit for purpose.

### Extraordinary repairs fund

The extraordinary repairs fund is held by the Rous Charity for exceptional repairs and maintenance costs.

### Mental Health & Addiction Support

The restricted addiction support fund includes monies donated to support the Charity's work on addiction support.

### Chaplaincy Fund

The restricted Chaplaincy fund is for donations to the Chaplaincy project.

### Racing Support Line

The restricted Racing Support Line is for donations to the Racing Support line.

### Qatar Racing

The Qatar Royal Family matched funds raised by their Marathon runners to be used for future projects. The donor has identified the development of the community resource and young persons accommodation in Middleham as the project they wish to support with the funds.

### Database

The restricted Database fund is to contribute towards the costs of upgrade and maintenance of the Charity's bespoke database system in the context of outcome measurement.

### Middleham

The Middleham restricted fund is to be used towards the development of a community resource centre linked to young persons' accommodation in Middleham.

### C.A.T.S

This is the Racing Foundation contribution to the Careers Advice Training Scheme for racing people.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

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## 15. STATEMENT OF FUNDS (continued)

### **Beneficiaries holiday fund**

This fund is restricted to major holidays.

### **Management Training**

This is the Racing Foundation contribution to management training.

### **Young People in Newmarket**

This fund is restricted for use supporting young people in racing in Newmarket.

### **IMO Collections**

This fund was set up in response to dedicated donations in memory of particular individuals and the funds collected are to be given to the deceased's family.

### **IMO Tim Jones MHFA**

The fund was set up by the father of Tim Jones, following his tragic death, in order to subsidise Mental Health First Aid training in the Racing industry.

### **Mental Health Research Project**

Liverpool John Moore's University undertook a research project into Mental Health on behalf of the Charity; these funds were granted by The Racing Foundation and paid for the research.

### **Occupational Health**

A grant from The Racing Foundation has enabled the charity to offer Occupational Health to its beneficiaries; this fund is used for the purpose.

### **Wellbeing Programme Manager**

A grant from the racing Foundation to provide a programme manager who will oversee the delivery of the Mental Health, Occupational Health, CATS and Racing Support Line services.

### **Epsom Racing Staff Welfare**

Funds raised towards the Epsom Racing Staff Welfare Charity.

### **Mental Health Services**

A grant from Childwick Trust to provide emotional support, prevention of loneliness and isolation and pastoral care for the Racing industry.

### **Covid hardship grants fund**

Funded by the John Pearce Foundation to provide grants to those working in racing that have been financially affected by the Covid-19 pandemic.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

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## 15. STATEMENT OF FUNDS (continued)

### **Festive food parcels**

A grant from the Suffolk Community Fund towards the cost of sending food parcels to retired beneficiaries in December.

### **Welfare Support Officer, Newmarket**

Funds raised to help fund the post of the Welfare Services Officer in Newmarket.

### **Malton office**

Donations were received to be used towards the running costs of the Malton office.

### **Communications Intern**

A grant from the Rank Foundation to fund a Communications Intern.

### **Housing for Racing People**

These assets were transferred to from Racing Welfare to Racing Homes with a restriction that they are used to house individuals working in or retired from the horseracing and thoroughbred breeding industry. The value of the reserve equates to the net book value of the assets transferred less any liability secured against the asset.

### **Racing Homes Strategy Report**

A grant was received from The Racing Foundation to fund a report reviewing Racing Homes's strategic options to expand its property portfolio in key racing centres.

### **Housing Support Officer**

A grant from Godolphin to fund the post of Housing Support Officer for one year. The role provides support to young people, particularly those housed by Racing Homes.

### **Endowment funds - Rous**

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.

### **Endowment funds - BBR**

The endowment fund resides in the Bentinck, Beresford and Rendlesham Charity which was established when the Bentinck Benevolent Fund and the Beresford Trust were combined. Excess income of BBR is paid to Racing Welfare and these funds are used to finance grants to beneficiaries of Racing Welfare in accordance with the objects of BBR.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Endowment & Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total Funds 2020 £'000
Fixed assets	9,930	18,907	1,563	30,400
Net current assets	1,008	(1)	174	1,181
Long-term liabilities	-	(1,733)	-	(1,733)
	<u>10,938</u>	<u>17,173</u>	<u>1,737</u>	<u>29,848</u>
CHARITY				
Fixed assets	-	12,888	1,191	14,079
Net current assets	508	-	79	587
Long-term liabilities	-	-	-	-
	<u>508</u>	<u>12,888</u>	<u>1,270</u>	<u>14,666</u>

GROUP	Endowment & Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total Funds 2019 £'000
Fixed assets	10,234	19,220	1,810	31,264
Net current assets	684	439	(635)	488
Long-term liabilities	-	(1,774)	-	(1,774)
	<u>10,918</u>	<u>17,885</u>	<u>1,175</u>	<u>29,978</u>
CHARITY				
Fixed assets	-	13,154	1,377	14,531
Net current assets	636	439	(363)	712
Long-term liabilities	-	-	-	-
	<u>636</u>	<u>13,593</u>	<u>1,014</u>	<u>15,243</u>

## 17. SUBSIDIARY UNDERTAKINGS

Racing Welfare presents a SOFA (incorporating an income and expenditure account) in which the results of its subsidiary undertakings are consolidated on a line by line basis. All of its subsidiary undertakings have activities or charitable objectives in line with those of Racing Welfare, and are all managed with the purpose of serving jockeys, horseracing stable staff, racehorse trainers, those associated with the horseracing and thoroughbred breeding industries, their employees and dependants.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 17. SUBSIDIARY UNDERTAKINGS (continued)

	<b>Racing Welfare (Enterprises) Limited</b>		<b>Racing Homes</b>	
Basis of consolidation	100% share capital owned by Racing Welfare.		Controlled by Charity as sole trustee.	
Activities and objectives	Commercial trading in line with the objects of the Charity.		Provision of housing.	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Income	-	5	1,632	895
Expenditure	-	(10)	(911)	(777)
Investment gains	-	-	-	-
Net profit	-	(5)	721	118
Fixed assets	-	-	13,462	13,560
Current assets	5	6	686	271
Liabilities	-	(2)	(1,985)	(2,389)
Net assets	5	4	12,163	11,442
Funds/capital and reserves:				
Unrestricted funds	5	4	4,219	3,953
Restricted funds	-	-	7,944	7,489
	5	4	12,163	11,442
	<b>The Rous Charity</b>		<b>The Bentinck, Beresford and Rendlesham Charity</b>	
Basis of consolidation	Controlled by Stable Lads Welfare Trust as sole trustee.		Controlled by Charity as sole trustee.	
Activities and objectives	Provision of almshouses.		Relief and support for individuals.	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total income	67	73	38	77
Total expenditure on charitable activities	(52)	(64)	(38)	(77)
Investment gains	(50)	59	(242)	284
Net movement in funds	(35)	68	(242)	284
Fixed assets	1,253	1,323	1,856	2,098
Current assets	157	120	16	36
Liabilities	(5)	(3)	(16)	(36)
Net assets	1,405	1,440	1,856	2,098
Funds/capital and reserves:				
Unrestricted funds	536	550	-	-
Endowment funds	870	890	1,856	2,098
	1,406	1,440	1,856	2,098

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 18. CASH FLOW INFORMATION

### a) Reconciliation of net income for the year to net cash flow from operating activities

	2020 £'000	2019 £'000
Net income for the year	(130)	1,962
Losses / (gains) on investments	1,782	(1,856)
Depreciation and amortisation	336	275
(Increase) / Decrease in debtors	(96)	29
Increase in creditors	252	40
Net cash inflow from operating activities	<u>2,144</u>	<u>450</u>

### b) Analysis of net debt

	At 1 January 2020 £'000	Cash flow £'000	Non- cas cas flows £'000	At 31 December 2020 £'000
Bank	436	750		1,186
Bank loans	(1,814)	41		(1,773)
	<u>(1,378)</u>	<u>791</u>	<u>-</u>	<u>(587)</u>
<b>Borrowings</b>				
Debt due within one year	(40)	41	(41)	(40)
Debt due after one year	(1,774)	-	41	(1,733)
	<u>(1,814)</u>	<u>41</u>	<u>-</u>	<u>(1,773)</u>

## 19. CONTINGENT LIABILITIES

In the event of housing schemes at Howard de Walden Way, Newmarket, Suffolk (formerly Phantom and Moreton Stud) being sold for a commercial use, other than the housing of stable staff, an amount of £444,476 becomes payable to the Horserace Betting Levy Board.

Social Housing Grant (SHG) is subordinated to the repayment of loans by agreement with the Homes and Communities Agency (HCA). SHG released on sale of a property may be repayable, but is normally available to be recycled and is credited to a recycled capital grant fund and included in the balance sheet within creditors.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 19. CONTINGENT LIABILITIES (continued)

SHG is repayable under certain circumstances such as where a property is sold. The SHG at the date of transition to FRS 102 of £397.5k and previously shown as a reduction of the housing property value has, in accordance with the performance model, been written off to reserves.

## 20. OPERATING LEASE COMMITMENTS

The total minimum lease payments under non-cancellable operating leases are as follows:

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Leases which expire:				
Within one year	20,542	24,551	20,542	24,551
Within two - five years	<u>6,570</u>	<u>27,112</u>	<u>6,570</u>	<u>27,112</u>

During the year £24k (2019: £26k) lease payments were expensed to the SOFA

## 21. BENEFICIAL INTEREST IN LEGACY

During the year the Bentinck, Beresford and Rendlesham Charity (BBR) became entitled to a share in a legacy that has been held in trust. Subsequently, and before the year end, the interest in the legacy was transferred by trustee resolution to Racing Welfare.

## 22. CONNECTED CHARITIES

During the year Racing Welfare made the following allocation of costs for the use of common facilities and administration to the following companies and charities that have the same directors and trustees.

	2020	2019
	£'000	£'000
Racing Homes	46	45
The Rous Charity	<u>4</u>	<u>5</u>
	<u>50</u>	<u>50</u>

During the year Racing Welfare paid grants to Racing Homes totalling £848k (2019: £234k).

Racing Welfare also received grants from the Bentinck, Beresford & Rendlesham Charity of £40k (2019: £80k) in relation to financial support in line with the charity's objectives.

The Jockey Club provides HR, payroll and IT support and the services of its group property team pro bono, as well as hospitality for fundraising events at a discounted cost. The total value to the Group of the gift-in-kind is £59k (2019: £169k). The value to the Charity is £54k (2019: £94k).



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 22. CONNECTED CHARITIES (continued)

The following amounts were owed from/(to) connected companies and charities:

	2020 £'000	2019 £'000
Racing Welfare (Enterprises) Limited	(5)	(3)
Racing Homes	39	258
The Jockey Club	(18)	-

Surplus cash held by group organisations is transferred to Racing Welfare to be invested. The principal charitable objective of the Racing Homes is the provision of social housing for those working in, or retired from, the thoroughbred horseracing and breeding industry.

## 23. 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.

## 24. POST BALANCE SHEET EVENTS

On 18 December 2020 the trustees of Racing Welfare, Racing Homes, the Rous Charity and the Bentinck, Beresford and Redelsham Charity passed resolutions approving the proposal to merge Racing Welfare with BBR and Racing Homes with the Rous Charity.

On 1 February 2021 an application was submitted to the Charity Commission seeking their approval for these proposals. The Charity Commission has since sanctioned the release of the permanent endowments on the investment in BBR and the transfer of assets from BBR to Racing Welfare. The application relating to the Rous Charity is still pending Charity Commission approval.

## 24. FINANCIAL INSTRUMENTS

	2020		2019	
	Group £'000 £	Charity £'000 £	Group £'000 £	Charity £'000 £
<b>Financial assets:</b>				
Equity instruments measured at fair value	14,558	12,320	15,340	12,810

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

## 25. STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR YEAR ENDED 31ST DECEMBER 2019

	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Endowment funds 2019 £'000	Total funds 2019 £'000
<b>INCOME FROM:</b>				
Donations and legacies	660	1,409	-	2,069
Charitable activities	645	-	-	645
Other trading activities: Fundraising trading	452	207	-	659
Investments	552	-	-	552
Other income	4	-	-	4
<b>TOTAL INCOME</b>	<b>2,313</b>	<b>1,616</b>	<b>-</b>	<b>3,929</b>
<b>EXPENDITURE ON:</b>				
Raising funds	618	-	-	618
Charitable activities	1,856	1,328	21	3,205
<b>TOTAL EXPENDITURE</b>	<b>2,474</b>	<b>1,328</b>	<b>21</b>	<b>3,823</b>
<b>NET (EXPENDITURE) FOR THE YEAR</b>	<b>(161)</b>	<b>288</b>	<b>(21)</b>	<b>106</b>
Net gains/(losses) on investments	1,572	-	284	1,856
<b>NET INCOME FOR THE YEAR</b>	<b>1,411</b>	<b>288</b>	<b>263</b>	<b>1,962</b>
Transfers between funds	(319)	319	-	-
<b>NET MOVEMENTS IN FUNDS</b>	<b>1,092</b>	<b>607</b>	<b>263</b>	<b>1,962</b>
Balance brought forward (restated)	17,968	7,324	2,724	28,016
Balances carried forward	19,060	7,931	2,987	29,978