



# **RACING WELFARE**

**Report and Financial Statements**

**31 December 2021**

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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

Lady Celina Carter

Jonathan Eddis

Richard Farquhar

Morag Gray

Simon Hope

Nicky Lyon

Patrick Russell

Rod Street

Venetia Wrigley

## KEY MANAGEMENT:

Chief Executive Officer - Dawn Goodfellow

Chief Operating Officer - Gemma Waterhouse

Director of Welfare - Simone Sear

## 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

Liontrust Investment Partners LLP

2 Savoy Court

London

WC2R 0EZ

## 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

Blenhiem House

Newmarket Road

Bury St Edmunds

IP33 3SB

# CHAIR'S STATEMENT

Our Chair, William Barlow, reflects on 2021

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2021 has been the start of the recovery from a very challenging and life-changing 2020. In 2021 we have seen support numbers return to pre-COVID levels but the reasons for people seeking support from Racing Welfare remain COVID dominated. The true toll this virus has taken on the physical and mental health of everyone in the world, as well as the horseracing industry, will not be known for many years to come. Nonetheless, the shoots of recovery in early 2021 were a very welcome sign for those working in the Charity. Over time staff began to migrate back to the office and the all-important in-person Staff Forum took place in December allowing staff to see each other for the first time in over 2 years.

The year was not without its challenges though. A return of some restrictions during part of the year and periods of staff sickness due to COVID provided uncertainty and significant pressure on project deadlines. Racing Welfare have also felt the effects of the staffing shortages seen across many industries.

One of the biggest boosts for the charity was the ability to resume face to face fundraising events, albeit this wasn't until the mid-year point. The team worked incredibly hard to produce sell-out events from July through to December raising over £747k in event income. This income is essential, particularly against a backdrop of low investment income due to the slow recovery of the markets.

The largest part of our service delivery, the Workforce Wellbeing Programme, received a further 12 months funding from the Racing Foundation. We remain grateful for the financial support the foundation has provided, allowing us to establish this valuable and now proven Employer Assistance Programme for so many in the industry. The programme is not only of huge benefit to the individual receiving support, but also to their employer and therefore the wider industry. It remains the only major programme directly targeting the retention issue in horseracing. The funding for the programme now needs to establish a more sustainable footing and 2022 will see us launch a campaign to request a funding contribution from employers to ensure the scheme, and the service delivered to all those working in horseracing can continue. We were extremely proud to see the scheme recognised on a wider stage when it won the national Workplace Savings and Benefits Awards for well-being initiative of the year against entries from some major multi-national companies.

For Racing Homes it was business as usual. Our financial performance was solid and we continued our programme of portfolio enhancement. Frustrations were felt due to the complex effects of COVID-related delays on our ability to obtain planning permission in Lambourn and new opportunities in Middleham have meant that a planned delay has been imposed on our development in that area. We are however very committed to addressing the housing shortage in these areas and continue to progress the projects in both of these racing centres.

We continue to work on improvements in our governance structure and the new committee members we have recruited have brought new skills and diversity of thought to the benefit of the organisation. We look forward to welcoming some of them onto the board in the coming year.

The year ended on a high with a small party to celebrate the organisation turning 21. Several former trustees and chairs were able to join us for a very special evening, which saw a 'This is Your Life: Racing Welfare'. The presentation enabled us to celebrate all that the organisation has achieved and grown into – we truly have come of age.

On behalf of the trustees, I would like to thank everyone who continues to support Racing Welfare, be it by taking part in a challenge event, attending a fundraiser, volunteering or financially contributing, without your support we could not continue to reach out and directly help over 2,500 people each year.



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 2021 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
  - Racing's 24/7 Support Line
- 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. Four of these areas are supported by a Racing Welfare office and we have 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 recovery from 2020 saw the numbers of people being supported reduce to pre-COVID levels, staff migrate back to office working and a resumption of fundraising events taking place.

On the surface, the charity returned to the pre-COVID norm, but under the surface, the effects still remain. Whilst the number of people seeking support may have reduced, their problems are often much more complex and require longer-term support from the welfare team who are, therefore, just as busy as they were at the height of the pandemic.

We know that there is a longer-term impact of the pandemic; on Racing Welfare staff, beneficiaries, businesses who usually support the charity, the stock market and government bodies such as planning authorities. In addition, there are positives to come out of the pandemic, the offer of flexible working for staff, efficiencies in working practices and the positive environmental impact these have bought, new services which widen accessibility for our beneficiaries, for example, Check-in and Chat, and an increase in Racing Welfare's profile. Another real benefit is that the pandemic has made people much more aware of both the services we offer and the range of people to whom we offer them. The last 18 months have seen many more of our colleagues from racecourses, racing media and administration roles accessing those services as pressure was brought to bear on different parts of the industry by first the suspension of racing and then racing behind closed doors.

As well as being very proud of all that our welfare team provide to racing's workforce, we are always reflecting on the feedback of our 'customers' to identify what works well, what doesn't and where the gaps are in our provision. This enables us to refine and develop services to fill those gaps. Apart from monitoring quality, we also assess the value for money of our different programmes and have a rigorous tendering process for all our specialist partners. This resulted in Racing's Supportline moving to Care First in 2021. As providers to many large organisations and other sports, they have enabled us to move to a point where the Supportline has become a comprehensive Employee Assistance Programme and a very effective portal for many of our services.





# TRUSTEES' REPORT

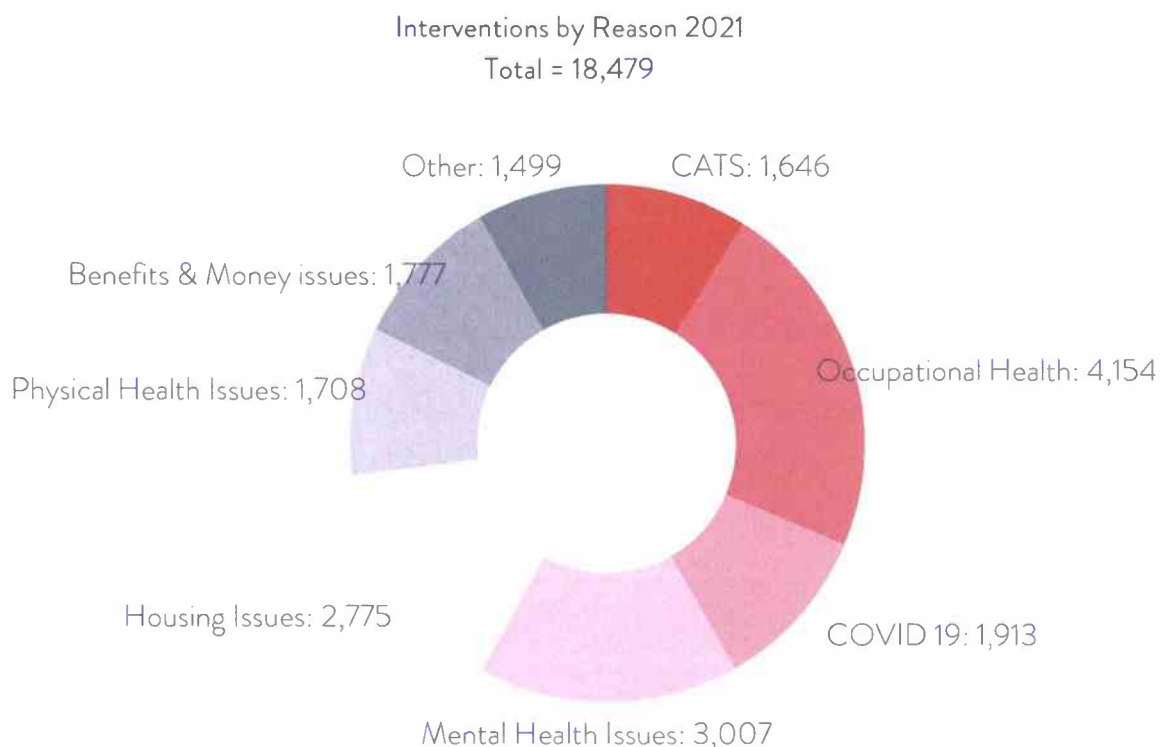
## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

#### Focus on:

#### Welfare Services

In total, 2,405 (2020 – 4,533) individuals sought Racing Welfare's help in 2021. This is decrease from what was an exceptional year in 2020 due to the immediate impact of the pandemic but in line with the number supported in 2019. A total of 18,479 (2020 – 19,606) interventions were provided across a wide range of issues. A 6% decrease on the exceptional year of 2020 and a 50% increase on 2019. Occupational health, mental health related issues and housing/homelessness 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. 2021 was the first full year of delivering Racing's Support Line in partnership with Care First, an experienced Employee Assistance Programme provider and part of the Priory Group. We made some changes to the service when we switched to Care First, including removing all befriending, tenant welfare and out of hour housing maintenance calls in order to provide a more specialised service; these changes mean that it is not possible to compare individual contacts in 2021 to previous years. In 2021 we had 972 individuals contact Racing's Support Line and the online self-help digital pages achieved 28,680 views (down from 36,186 in 2020).

# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

The decrease in views is attributable to two key reasons. Firstly there has been a drop in users searching COVID-related content as the pandemic progressed. Secondly, there was a drop in views for 2 months of the year as we switched hosting providers, and therefore scaled back promotion of the pages whilst the pages were transferred. Top page views were the Careers Advice and Training Service (CATS) website followed by Occupational Health.

#### 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, accidents & injury, disability, illness, stress, depression and anxiety. The service is currently provided by our specialist partners, Team Prevent and is bespoke to the industry's needs. In 2021 we referred 288 new people through ROHS with a split of 69% for physical health and 31% for mental health. The number of new cases each year has begun to plateau, with a 4% decrease in new cases from 2020 to 2021. This plateau of cases was always likely to happen, as the number of accidents, illnesses and injuries in the industry wouldn't continue to grow year on year in perpetuity. The numbers for 2020 and 2021 have both been affected by COVID lockdowns however and a full picture will only be ascertained after another full (hopefully lockdown free) year in 2022.

Grants totalling £85,547 (2020: £69,331) were awarded for treatment. The service was promoted via online campaigns, webinars and by 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 industry 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. Following the launch of our dedicated CATS website in March 2020, CATS remains our most popular digital content. There were a total of 10,174 views of CATS digital material in 2021 (a small increase from 10,134 in 2020). The service continued to be impacted by Covid in 2021 particularly during Q1-Q2 when the majority of training courses were not available. Despite this, CATS supported 126 people with careers advice through the bespoke telephone careers coaching service, accessed through Racing's Support Line. Career development grants totalling £52,264 (2020: £12,942) were awarded in 2021 through CATS. In addition, £12,777 (2020: £10,881) 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. In October 2021 the inaugural CATS personal development awards, sponsored by Hartpury University, were held. The 3 finalists were invited to an awards dinner at Newmarket racecourse where the winner, David Arbuthnot, was announced the winner.



#### CATS CASE STUDY

Training racehorses is often described as 'a way of life, rather than a job' due to the all-consuming nature of the work. So how do racehorse trainers deal with retirement?

This was the stark situation facing Royal Ascot and Cheltenham Festival-winning trainer David Arbuthnot, who at the age of 68, refused to simply put his feet up and instead is embarking on a remarkable career change to become a counsellor.

It was through careers coaching sessions with the Careers Advice and Training Service (CATS) - part of Racing Welfare's award-winning Workforce Wellbeing Programme (WWP) - that David was prompted to make this life-changing decision.

In recognition of this extraordinary journey, he recently scooped the inaugural CATS award for his commitment to career development and support within the racing industry. He says:

*"It was through Racing Welfare I got a chance to speak to a careers coach because I knew I didn't want to train*



# TRUSTEES' REPORT

## Achievements and Performance continued

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*anymore. I thought about doing consultancy within racing but then after sessions with the careers coach we discussed how I felt about welfare and racing. I suddenly realised I would like to do counselling within racing, to give something back."*

While mental health awareness and support is very much at the forefront within the industry, David feels it hasn't always been that way:

*"I felt for a very long time that the welfare of the racehorse has been paramount, yet the welfare of the staff wasn't. Obviously it has changed now, but I started training in 1981 and I was an assistant during the 70s and things were different then. I think among the older trainers, they hold their problems and don't want people to know their problems - they try and work through issues themselves and the stress comes with that. I do believe that amongst the older trainers, it's still the same view that you just get on with it."*

*"It has always been on my mind especially with the increased awareness of mental health, that I would like to try and qualify as a counsellor, purely not to counsel elsewhere, but in the racing industry."*

CATS pointed David in the direction of the Counselling and Psychotherapy Training Academy, who sent him information on the required course to gain his qualifications. He adds:

*"On the financial side, through Racing Welfare and CATS, we organised with the National Trainers' Federation Charitable Trust, that they contribute towards the cost, as the counselling course is not cheap".  
"The course has been challenging. I left school at 16 so I probably hadn't written an essay for fifty years! I have not found it easy, but I've done my level 2, level 3 and I'm on my first year of my level 4."*

A mandatory part of training to become a counsellor is undergoing counselling of your own, which has been a particularly fulfilling experience for David:

*"I'd never had counselling in my life, obviously I knew the basics, but I had absolutely no idea what counselling was about. Over the two years of training, I've had 40 hours of counselling myself and it has been very enlightening - you have to become more self-aware and congruent with yourself."*

*"It also made me think about how I could have treated certain situations with staff differently, had I had the basics of counselling and person-centred theory. For example, with mental health issues, trainers are under pressure and things need to be done for the horses and if things aren't done, you're looking at the horses' welfare and not understanding why maybe that member of staff acted like they did."*

This admirable life and career change will be an inspiration to many, and David feels that his wealth of experience in varied racing roles will help in his new career path:

*"I am 68 years old now and by the time I qualify I'll be nearly 70 and I hope that I'll be made use of, even if I can help with consulting for the younger trainers coming through. I feel that racing is a very small, specific industry and my experience of being a trainer, an assistant trainer and working as a lad before I started training, gives me a wide spectrum of experience and understanding. When I was training, I didn't have any idea of what CATS did, I thought it was for stable staff rather than trainers, but I have been very impressed."*

# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

#### Mental Health Services

Racing Welfare continues to support beneficiaries seeking help with mental health and addiction issues. We continue to provide telephone, online and face to face 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 2021 over 155 people have downloaded and used Woebot, the mental health and wellbeing app we provide, with the occasional trigger of an SOS word, meaning a counsellor from Care First has responded to the individual.

We also ran a small pilot with the National Horseracing College to understand if Woebot is useful for young learners. The pilot indicates that 68% of learners that the App was introduced to continued to use Woebot after the introductory session. Reasons behind this were wide-ranging from the App being engaging, to helping with loneliness and 7 of the learners identified that they continued to use it as they were able to access it [support] at any time. 60% of users found the App useful and 86 % of users stated they would recommend the app to others. Over 53% of users used the app for one week whereas the other 47% used the app for a longer period with one user identified to still be using the app 10 weeks on from the introductory session. Encouraging statements such as "the app helps me to be myself" and "my mental health and wellbeing improved" give indications that the app has been of benefit to learners of the National Horseracing College.

All our welfare officers receive Mental Health First Aid (MHFA) training and during 2021 we trained another 3 welfare officers to be qualified MHFA instructors, taking our total instructors to 5. During 2021 we were unable to run any face to face mental health courses, due to government restrictions relating to the COVID pandemic. We were however able to run a calendar of online courses, albeit course numbers had to be restricted to ensure participant safety in an online setting. Despite this over the course of the year, we trained 64 mental health first aiders and 33 people attended our mental health awareness courses.





# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

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.

#### 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 £226k in grants were awarded (£244k – 2020) 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.





# TRUSTEES' REPORT

## Achievements and Performance continued

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### WHAT WE HAVE ACHIEVED (continued)

#### 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.

2021 was a mixed year with some activities resuming face to face, others forced to remain virtual and some remaining virtual because it meant that those in more remote areas or with access issues could still enjoy connecting with others.

In 2020:

- 651 retired beneficiaries attended our in-person coffee morning and reminiscence events during 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 during the height of the pandemic. 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

In 2021:

- There were 714 attendees at our in-person coffee mornings and reminiscence events which restarted in July 2021 once restrictions lifted
- Virtual conversations continued on our Facebook platform, Racing Conversation, throughout the first half of 2021. There were 16 virtual sessions held between January and June 2021, with guest hosts including Hollie Doyle, Luke Harvey and Amy Murphy. Membership of the online community grew to 485 during 2021
- Collaboration with the Racegoers Club to live stream online events with top trainers and jockeys into Racing Conversation
- 78 vulnerable individuals received proactive calls to provide and offer support. The 'Check-in and Chat' telephone befriending service is delivered by a team of 28 volunteers who carried out over 1921 calls to vulnerable and isolated beneficiaries
- 332 retired staff attended our Christmas Lunches in the racing centres and 443 retired staff who were unable to attend received a Christmas Gift Box of food

# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

#### 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 in line with government guidance. Towards the end of the year our usual face to face service was able to resume. 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, these were delivered by videoconference due to the ongoing restrictions caused by the pandemic. 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 and an addiction education programme at the National Horseracing College.

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.

#### Community development and education

Our frontline welfare teams continued to face significant challenges in 2021 with providing the usual face-to-face contact with those we seek to support. The team developed new ways of communicating and supporting beneficiaries using digital technology during 2020 and continued to utilise these methods during the peaks of the pandemic. Emergency cases were prioritised but for the first part of the year our staff were unable to visit workplaces. Once restrictions eased, visits resumed and 632 workplace visits took place, an increase from the 271 achieved in 2020 but not yet at pre-pandemic levels of around 1,000. In order to raise awareness of our work we took to the telephone, email and mailshots but also relied heavily on our communications team to promote our services.



# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

The charity continues to fund the community work of The Racing Centre and a grant of £44k (£34.5k 2020) was made to the Centre in 2021 to enable them to deliver social and sporting activities to racing's people. The funding in 2020 was unusually low due to the centre being closed for part of the year due to COVID restrictions and 2021 saw the funding resume to normal levels. Racing Welfare utilises The Racing Centre as office space for the East region welfare team allowing them to work closely and collaboratively with The Racing Centre staff.

Racing Welfare continues to fund the work of The National Chaplain to Horseracing via Sports Chaplaincy UK. The National Chaplain is well-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 Volunteering

2021 was another exciting year for volunteers at Racing Welfare. By December, an additional 24 volunteers had signed up to support us, taking the total registered individuals to 132. 8 of these volunteers joined our Check in and Chat telephone befriending service making life-changing connections with some of our most vulnerable beneficiaries.

Towards the end of 2021 we formalised our Volunteering Strategy, which will shape the development of our Volunteering Programme over the next 3 years. We were able to take steps towards one of our goals; to make our volunteers feel valued by celebrating the work our volunteers do during the NCVO's Volunteers' Week. Volunteers from across the country joined us on Zoom to network and find out more about Racing Welfare's services.

With 2021 seeing continued growth and a new outlook on volunteering, it is safe to say this is just the beginning of a successful volunteering programme that will be an asset to Racing Welfare.

#### 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. The Director of Welfare, Simone Sear, is in the second year of a four-year PhD in Organisational Health and Wellbeing. Her research will focus on the evaluation of the impact of the investment racing is making on human wellbeing. Adam Ferguson, the Regional Community Executive in the North, started the Thoroughbred Horseracing Industry's MBA during the year, his research topic will be decided in 2022.

#### Fundraising

None of the above could be achieved without the generosity of donors and supporters of Racing Welfare. In 2021 the group raised £3.19m (2020 - £3.95m ) from donations, grants and fundraising events and we are extremely grateful to those who made those contributions. Highlights from our fundraising campaign included:

- o 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 Rank Foundation, The Bamford Charitable Foundation, EBN Charitable Trust, The Blackwell Charitable Trust, National Lottery, Wiggin Family Charitable Foundation, Lord Leverhulme's Charitable Trust, The Simon Gibson Charitable Trust and pledges from The John Pearce Foundation and the Alborada Trust.
- o Continued support from companies such as the Jockey Club, Betfair, Rewards4Racing, Arena Racing Company, York Racecourse, Racehorse Lotto, Tote, Racehorse Owners Association, Juddmonte Farms, the Niarchos Family, SportingLife, William Hill, Bedmax, Betway and Godolphin.

# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

- New support from corporate partners including Whitley Neill, Vertem, Dr Johnny Hon's company Global Group and Windsor Clive.
- The Epsom and Malton Open Days returned to being in-person events and were extremely well attended. We also continued to receive support from the Newmarket Open Weekend.
- Our own fundraising events were again affected by COVID with most of our events rescheduled for the latter half of the year. Cheltenham Preview Evening and a Wine Tasting evening were held virtually but we delivered in-person events from July including both the Epsom and Northern Racing Awards, a White Collar Boxing Event, Woburn Golf Day, Close House Golf Day, The Great Racing Welfare Cycle, Haydock Charity Raceday, Racing Staff Week and the Newmarket Heath Ride, Presents Galore and the Tattersalls Carol Concert.
- Supporters continued to raise funds through their own activities and initiatives – Hambleton Racing, Hot to Trot all provided support. We were delighted to gain new support from the Henrietta Knight Racing Club.
- There was Increased support from individuals through personal donations.

### Spotlight on Fundraising

*The largest fundraising event in 2021 was delivered by an incredible Committee of supporters who raised £150,000 at their Wincanton Raceday. The 12-strong team divided and conquered to produce a fabulous day for 450 people including full hospitality, both an online and live auction, a charity race and a champagne raffle. This is a record amount raised from a charity raceday in aid of Racing Welfare which required minimum input from us. We are incredibly grateful to the huge amount of hard work given by everyone on the committee.*

*A new event for 2021 was The Great Racing Welfare Cycle which saw 24 cyclists tackle the highs and lows from Carlisle to Newton Abbott. The team cycled for 5 days and raised over £36,000.*

*Our biggest individual fundraiser from a sporting challenge came from the wonderful duo, Clarissa and Henry Daly. They captured the hearts of the racing fraternity by posting their training struggles on social media which in turn amassed an incredible £33,461 in sponsorship.*

### Housing

In 2021 the 165 units in the portfolio housed 174 tenants. There were 51 new lets in the year and the new void refurbishment programme enabled the upgrade of four units of retired accommodation and two units of our working staff accommodation. This programme of refurbishment will see the entire portfolio upgraded to a high standard as and when properties become vacant in conjunction with our asset investment strategy

# TRUSTEES' REPORT

## Achievements and Performance continued

### WHAT WE HAVE ACHIEVED (continued)

#### Case Study: David and Keith

David and Keith moved in a newly refurbished ground floor property at Jack Jarvis Close in February 2021. They were previously living in a 1st floor flat but Keith was struggling with the stairs and was unable to use the bath in the bathroom due to health reasons. David and Keith received a lot of support with the move. A Welfare Officer helped them fill out the transfer application form and made sure they provided the correct supporting documents to the housing team. They also supported them with applying for Housing Benefit and Carers Allowance, as David became Keith's full-time carer.

*David says, 'We love our neighbours at Jack Jarvis Close. It is so much better for us living in ground floor accommodation as Keith was becoming housebound due to being unable to manage the communal stairs at our previous property. Having a wet room is so also much better for Keith and has given him some independence back. We couldn't have managed the move without the help of the welfare team who worked closely with the housing team for the best outcome for us. Both teams supported us a lot including making sure we were claiming the correct benefits once we moved.'*

#### 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 planned to 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. During 2021 an opportunity arose to explore the potential for developing a piece of land in the centre of Middleham. The trustees have secured this land with an option to purchase if planning consent can be achieved. This site, if successful, would provide more flexibility in terms of build specification than Hill House and it would allow the charity to consider the environmental impact of the build in a way that is not possible with the development of a listed property. For this reason, the development of Hill House is on hold whilst planning permission is applied for on the new site.

#### Lambourn

In line with the Growth Strategy produced by Savills in 2020, Racing Homes continue to consider development opportunities in areas with the greatest housing need. Research identified that Lambourn has a significant shortage of racing staff accommodation, and this is a limiting factor for the success of training businesses in the area. Racing Homes acquired an agreement to purchase a property with a parcel of land in the centre of the village, conditional on achieving planning. Racing Homes, assisted by the property team at The Jockey Club, have submitted outline planning for a scheme that would provide Lambourn with a high-quality young people's residence (for those aged 16-24yrs old) of 20 bedrooms within a wardened two-storey building and a further 24 one and two-bedroom homes for racing staff and retired racing staff. A decision on outline planning is expected in 2022. If planning is successful, the purchase of the property will be made possible by the generous support from The John Pearce Foundation.



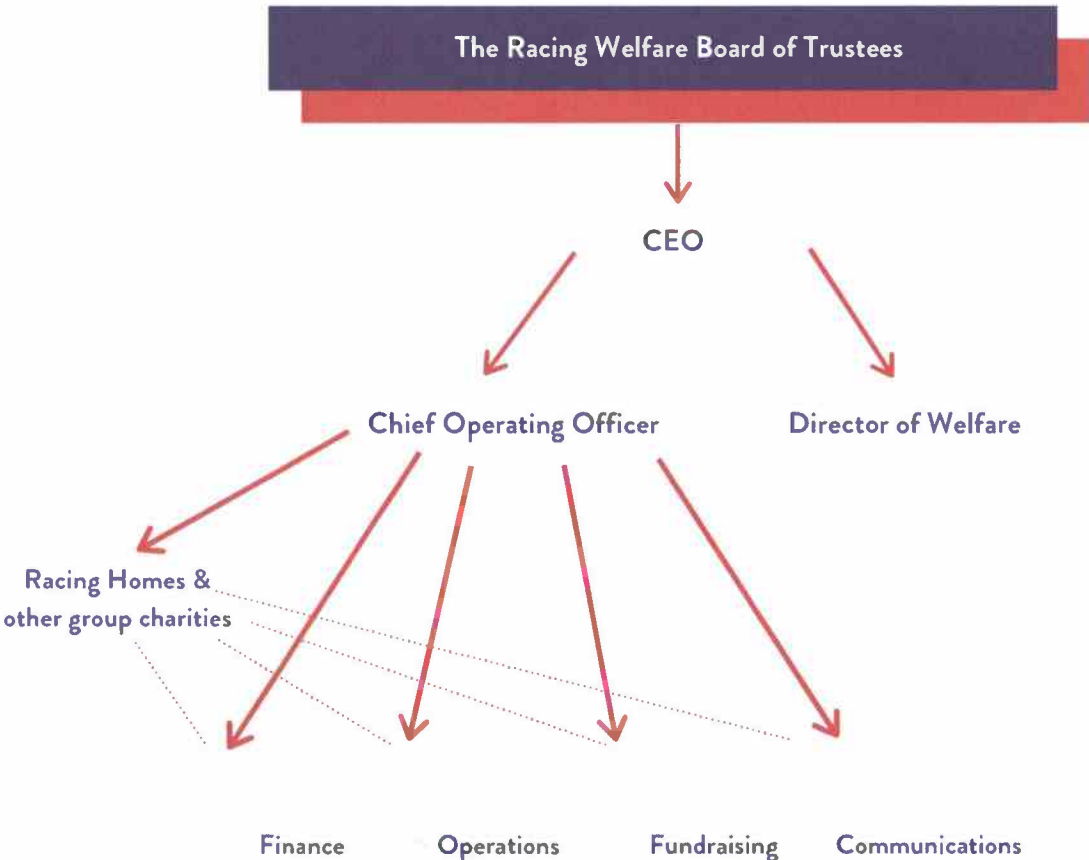
# TRUSTEES' REPORT

## 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. 2021 saw the team expand from 45 to 50, with two new roles in welfare, a job share and two maternity covers. 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, Head of Housing and Deputy-Director of Welfare.



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

As life returns to something nearer to normal in 2022, we will be taking the opportunity to consolidate and review the new methods and processes developed during the past two years and the impact they've had, both internally but more importantly to our beneficiaries. The two main outputs will be the attainment of The Matrix Standard, expected in the first half of the year, and a full-service mixed-method evaluation carried out externally and due for completion at the end of the year. These two pieces of work will not only identify what works and what doesn't but will also identify any gaps in our services and inform our operational strategy going forwards.

For our beneficiary communications, we will be completing the beneficiary app alongside the new website to provide a more effective way of informing our beneficiary base of our developing services and grants. The 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 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 will deliver a full suite of 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.



# TRUSTEES' REPORT

## Financial Review

### OUR FINANCIAL PERFORMANCE

Despite the continuing challenges facing the industry, charitable organisations and wider economy, the Racing Welfare group saw net income before gains and losses of £252k (2020 - £1,652k).

The group's investments recovered from the losses seen in 2020, with the portfolio reporting gains of £1,958k (2020 - losses of £1,782k) contributing to net income including investment gains of £2,210 (2020 - net loss of £130k).

#### Our Income

The charities raised £3.5m (2020 - £4.2m) from fundraising activities, including income from grants. The majority of the decrease was a result of income from donations and legacies, where we saw exceptional support in 2020 driven in large part by the charities' Covid Appeal. The easing of social restrictions allowed for a return of in-person events in 2021 which contributed to income from fundraising events of £960k (2020 - £322k).

Fundraising achieved a return on fundraising of 82% (2020 - 93%) which was a 11% decrease on the prior year due to large donations in 2020.

Investments generated £0.2m (2020 - £0.2m) of income and £0.9m (2020 - £0.8m) was raised from housing rents.

#### Our Expenditure

Total expenditure increased with £3.6m (2020 - £3.3m) being spent on charitable activities, primarily welfare advice and welfare projects (£2.1m, 2020: £1.8m) in delivering the Workforce Wellbeing Programme. Housing expenditure remained at £1m (2020 - £1m) and the cost of fundraising increased to £0.8m (2020 - £0.4m).

#### Balance Sheet

The group saw an increase of debtors, a result of entitlement to legacies that are yet to be received. Fair value gains on investments saw investments increase from £14.6m to £16.5m.

#### 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 can be drawn from the capital held in the Income Fund.



# TRUSTEES' REPORT

## Financial Review continued

### OUR FINANCIAL PERFORMANCE (continued)



- the level of drawdown required to support capital expenditure on projects and the apportionment of that drawdown between the three investment funds.

Racing Welfare's reserves policy is to hold general reserves equivalent to at least six months' forward expenditure, estimated at £1.3m. Free reserves are £13.9m (2020 £12.4m) as they include the investment portfolio of £14.0m 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 2021 in the Charity was £18.5m (2020 - £14.6m), of which £2.7m was in restricted funds (2020 - £0.5m). The total reserves held at 31 December 2021 in the Group was £32.1m (2020 - £29.8m), of which £11.0m was in restricted funds and endowment funds (2020 - £10.9m).[CM1] [CM1]This is charity only – will need to add in a group consideration of free reserves as well

#### Investment powers and policy

The charity's investment policy is directed by the Finance, Investment and Audit (F, I & A) subcommittee of the Board and investments are managed by Troy Asset Management and Majedie Asset Management Limited (Liontrust Investment Partners LLP from 1st April 2022). The majority of investments are held to fund the charities' activities. For the main investment, portfolio objectives require a balance of income and capital growth, with the group adopting a total return policy, and no specific investment restrictions or ethical requirements have been set. Both investment managers have ESG policies in place but the charity does not hold investments in ESG funds. The balance of the charities' cash is held in the main Active Saver accounts. 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

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### 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 £13.9m with £16.5m in equity investments (including those in restricted funds). The risks following the outbreak of the COVID pandemic have largely subsided and trustees continue to review all risks regularly.

Dividend income is still below 2019 levels, partly the result of adopting a total returns policy across the group's investment portfolio. A full calendar of fundraising events is expected to take place in 2022, with contingencies in the event of further restrictions or other disruptions.

We continue to see high demand for financial assistance grants with targeted grants, funded by the John Pearce Foundation and administered by Racing Welfare, being made available to those working in horse racing facing financial hardship due to the continuing impact of the pandemic. This mitigates the risk of Racing Welfare having increased costs associated with financial assistance grants. The charity continues to reap the rewards of efficiencies made, the effect of new working practices reducing travel and office costs. The net effect of the reduction in income set against reduced costs delivers a modest surplus for the year that leaves the general fund in line with reserves policy 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 is now above pre-pandemic levels as at the date of the approval of the accounts.

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 including a proactive 'stress test' prior to each main board meeting. The Finance, Investment & Audit Committee review the risk register annually and the senior management team review the risk register quarterly.

The principal risks are identified as those with the highest likelihood of occurrence together with the highest potential impact. Also included are those risks that score highly and are fundamentally key to what we do and how we operate.

# TRUSTEES' REPORT

## Financial Review continued

### Principal Risks and Uncertainties (continued)

Set out in the table below are the principal risks that are specific to Racing Welfare and actions taken to mitigate the risks. The trustees acknowledge that there are further, more generic risks, which are included on the charities risk register and may score highly but these risks are not listed here due to their generic nature or because they, by nature, are not within our power to control or mitigate e.g. changes in the economy.

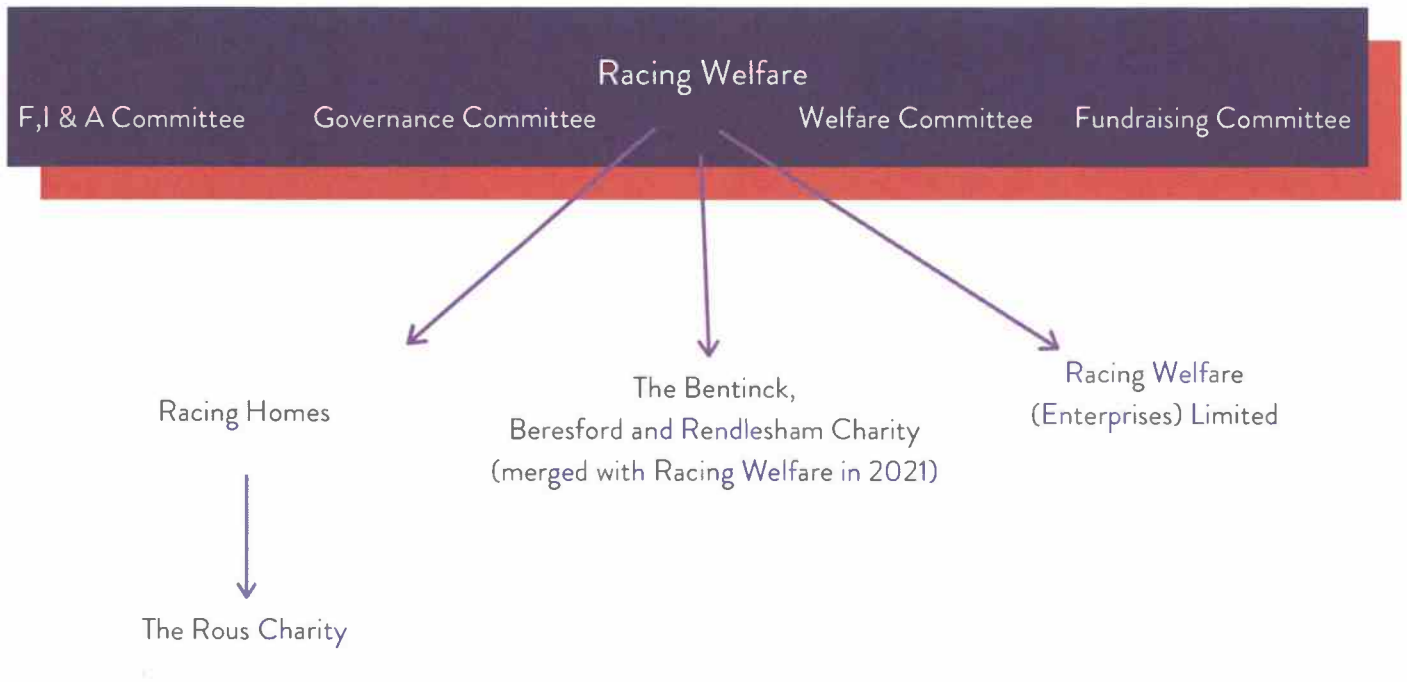
Risk Description	Risk Mitigation
<p><b>Failure to protect vulnerable adults and young people</b></p>	<p>All staff are appropriately vetted in accordance with law and current regulations. The charity has a robust safeguarding policy which is regularly reviewed by dedicated safeguarding staff and is the recipient of the SafeCic Safe Award recognising excellence in safeguarding standards. Safeguarding training is undertaken by all staff. DBS checks are carried out on all trustees. All line managers and Jockey Club HR staff that work closely with the Racing Welfare group undergo Safer Recruitment training.</p>
<p><b>Reliance on a small number of key funders:</b></p> <p>Loss of significant proportion of income should one or more significant partners cease to provide funding</p>	<p>The fundraising committee has prepared a diversification strategy to decrease reliance on particular income streams. Plans are in place to ensure funding for key projects and programmes is sought from a significantly wider pool of donors and funders.</p>
<p><b>Cyber fraud:</b></p> <p>Impact of cyber fraud or attack on Charity website, email communications, and IT equipment, resulting in either a breach of data protection law, or hindrance to the Charity's activities.</p>	<p>The charity has ensured all policies and procedures are updated regularly. IT security is maintained by The Jockey Club's skilled IT professionals with all sensitive data stored and transmitted securely with firewalls and antivirus software updated regularly. Operations Manager completed DPO training and works closely with the Jockey Club's DPO. All staff undertake comprehensive training on an annual basis with new staff undertaking this as part of their induction. A cyber insurance policy in place.</p>
<p><b>Service provision – customer satisfaction:</b></p> <p>Beneficiaries value our services and are able to easily access them</p>	<p>Our services are benchmarked against other providers and we undertake internal and external evaluations. Welfare Officers are provided with a handbook to ensure consistency of service. A complaints procedure is in place and a PR response plan is ready should any adverse publicity arise.</p>
<p><b>Loss of key staff:</b></p> <p>Long-term impact of losing key senior members of staff</p>	<p>Sufficient notice periods are in place for key personnel. Remuneration packages are benchmarked and reviewed annually to ensure they remain competitive. The executive team have created a positive culture and workplace with importance placed on maintaining staff wellbeing and work-life balance.</p>



# 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 (which is currently dormant) and the sole trustee of the Bentinck, Beresford and Rendlesham Charity (BBR). During the year permission was granted by the Charity Commission to transfer all assets of BBR to Racing Welfare resulting in BBR being removed from the register of charities.

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 and Racing Welfare (Enterprises) Ltd. The Bentinck, Beresford and Rendlesham Charity was part of the group until 10 December 2021 at which point it transferred its remaining assets to Racing Welfare and was removed from the register of charities.

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 interests 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. During the year we welcomed six new committee members bringing with them a wealth of experience and expertise to complement the existing committee members and trustees.

# 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 throughout 2020 and 2021 there were a number of improvements implemented as a result of the work generated by the new committee.



# TRUSTEES' REPORT

## Governance and Structure continued

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### Governance (continued)

A second review of the charity's performance against the Charity Governance Code was undertaken in 2021 to assess the impact of the priorities addressed in 2020; diversity and inclusion and board effectiveness; and to identify the next areas for improvement. The review identified that the improvements introduced had made a significant impact on both areas and identified additional measures to improve board effectiveness. This included a board effectiveness survey carried out in 2021 and new trustee objectives and trustee performance review procedures being introduced in 2022.

We held three trustee strategy days, outside of board meetings, in 2021. The first designed to highlight any areas of the charity which should be prioritised in our strategy and the subsequent sessions focusing on those areas. This resulted in two very productive days looking at our income diversification and the evaluation of our services. The action points from these sessions have been incorporated into the work being delivered by the executive.

### 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.



# TRUSTEES' REPORT

## Governance and Structure continued

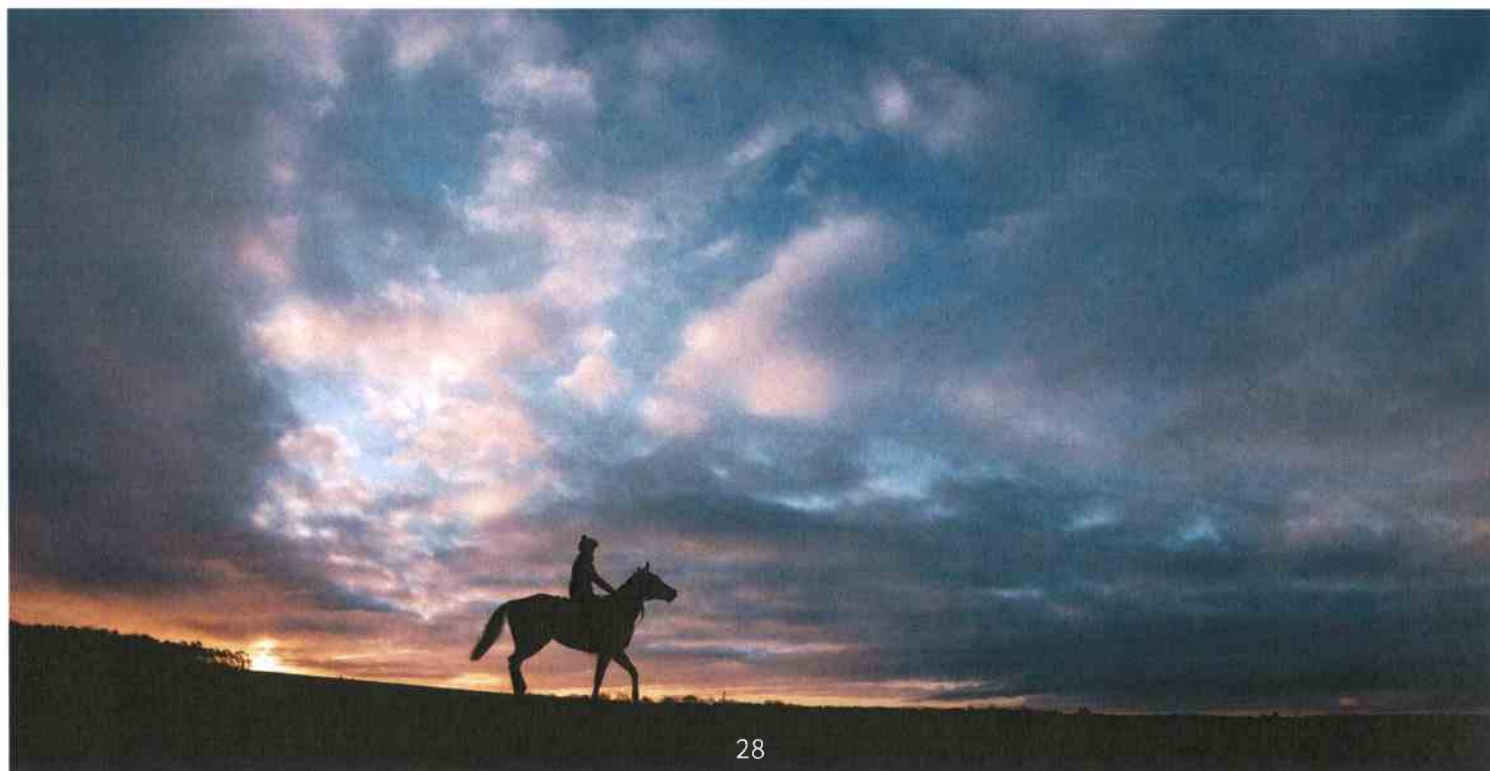
### **Related parties and co-operation with other organisations**

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 2021 was 135 (2020 – 76). In 2021 these volunteers were involved in 8 different events (2020 – 2) and 28 volunteers were actively involved in the continued success of our telephone befriending service (2020 – 21).

### 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.

The charity has reviewed its policy on remuneration and has developed and adopted a salary structure and

# TRUSTEES' REPORT

## Governance and Structure continued

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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. This survey will be repeated in 2022.

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. Employee Health and Safety is maintained via the 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 2022. 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 Group and Charity and of the incoming resources and application of resources of the Group and 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 Group and Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Group and 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 Group and Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Racing Welfare.

## 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 9th June 2022 and signed on its behalf:



William Barlow, Chairman

# INDEPENDENT AUDITOR'S REPORT

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## **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 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Statement of Financial Position, the Statement of Financial Cashflows 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 2021 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

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## **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

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- 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 and completeness of income streams as the areas 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 performing tests of detail on income recognised in the year and subsequent to the year end.

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*

CLAIRE SUTHERLAND (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Blenheim House

Newmarket Road

Bury St Edmunds

Suffolk

IP33 3SB

Date: 15/06/22

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

# STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2021

	Note	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Endowment funds 2021 £'000	Total funds 2021 £'000	Total funds 2020 £'000 (Note 25)
<b>INCOME FROM:</b>						
Donations and legacies	2	930	1,644		2,574	3,916
Charitable activities		905	-	-	905	833
Other trading activities: Fundraising events		881	79	-	960	322
Investments	3	226	-	-	226	238
Other income		4	-	-	4	47
<b>TOTAL INCOME</b>		<b>2,946</b>	<b>1,723</b>	<b>-</b>	<b>4,669</b>	<b>5,356</b>
<b>EXPENDITURE ON:</b>						
Raising funds		762	-	-	762	399
Charitable activities		1,903	1,734	19	3,656	3,305
<b>TOTAL EXPENDITURE</b>	4	<b>2,665</b>	<b>1,734</b>	<b>19</b>	<b>4,418</b>	<b>3,704</b>
<b>NET INCOME/(EXPENDITURE) BEFORE GAINS AND LOSSES ON INVESTMENTS</b>		<b>281</b>	<b>(11)</b>	<b>(19)</b>	<b>251</b>	<b>1,652</b>
Net (losses)/gains on investments	10	1,742	-	216	1,958	(1,782)
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<b>2,023</b>	<b>(11)</b>	<b>197</b>	<b>2,209</b>	<b>(130)</b>
Transfers between funds		147	1,924	(2,071)	-	-
<b>NET MOVEMENTS IN FUNDS</b>		<b>2,170</b>	<b>1,913</b>	<b>(1,874)</b>	<b>2,209</b>	<b>(130)</b>
Reconciliation of funds: Balances brought forward		18,910	8,215	2,723	29,848	29,978
Balances carried forward		21,080	10,128	849	32,057	29,848



# STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2021

Company number 04116279

		2021		2020	
	Note	Group £'000	Charity £'000	Group £'000	Charity £'000
<b>FIXED ASSETS</b>					
Intangible fixed assets	8	160	-	162	-
Tangible fixed assets	9	15,522	1,720	15,607	1,686
Investments:					
Investments	10	16,531	16,100	14,573	12,335
Programme related investments	11	59	59	58	58
		<u>32,272</u>	<u>17,879</u>	<u>30,400</u>	<u>14,079</u>
<b>CURRENT ASSETS</b>					
Debtors	12	961	915	678	668
Cash at bank and in hand		1,162	222	1,186	389
		<u>2,123</u>	<u>1,137</u>	<u>1,864</u>	<u>1,057</u>
<b>LIABILITIES</b>					
CREDITORS: amounts falling due within one year	13	(645)	(550)	(683)	(470)
<b>NET CURRENT ASSETS</b>		<u>1,478</u>	<u>587</u>	<u>1,181</u>	<u>587</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>33,750</u>	<u>18,466</u>	<u>31,581</u>	<u>14,666</u>
CREDITORS: amounts falling due after more than one year	14	(1,693)	-	(1,733)	-
<b>NET ASSETS</b>		<u>32,057</u>	<u>18,466</u>	<u>29,848</u>	<u>14,666</u>
<b>THE FUNDS OF THE CHARITY:</b>					
Unrestricted funds:					
General fund		2,112	1,329	1,737	1,270
Designated funds:					
Other designated funds		18,950	14,413	17,173	12,888
Total unrestricted funds		<u>21,062</u>	<u>15,742</u>	<u>18,910</u>	<u>14,158</u>
Restricted funds:					
Other restricted funds		10,146	2,724	8,215	508
Total restricted funds		<u>10,146</u>	<u>2,724</u>	<u>8,215</u>	<u>508</u>
Endowment funds		849	-	2,723	-
<b>TOTAL FUNDS</b>	15/16	<u>32,057</u>	<u>18,466</u>	<u>29,848</u>	<u>14,666</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 income before investment gains and losses of £2,105k (2020: net expenditure £870k), with investment gains of £1,695k (2020: losses of £1,447k). This includes gains of £2,071 on the transfer of investments from a group charity.

The financial statements on pages 36 to 62 of Racing Welfare, were approved by the Board of Trustees on 9th June 2022 and signed on its behalf by:

 William Barlow (Chairman)

# STATEMENT OF FINANCIAL CASHFLOWS

for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
<b>Cash provided by operating activities</b>	18	<u>204</u>	<u>2,144</u>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(188)	(353)
Purchase of investments		-	(6,302)
Proceeds from sale of investments		-	5,302
<b>Net cash used in investing activities</b>		<u>(188)</u>	<u>(1,353)</u>
<b>Cash flows from financing activities</b>			
Repayment of loans		(40)	(41)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(24)</u>	<u>750</u>
<b>Cash and cash equivalents at 1 January</b>	18	1,186	436
<b>Cash and cash equivalents at 31 December</b>	18	<u>1,162</u>	<u>1,186</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

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## 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**

The Trustees have identified no material uncertainties and 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:

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

The consolidated financial statements of Racing Welfare are available from its registered office.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

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## 1. ACCOUNTING POLICIES (continued)

### 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.

Income from fundraising events is recognised when the charity is legally entitled to the income. Entitlement is the earlier of the date of the event or the date on which a non-refundable booking is made.

### 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 2021

## 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 2021

## 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

	2021 £'000	2020 £'000
Donations	377	1,848
Legacies	330	269
Grants	1,867	1,799
	<u>2,574</u>	<u>3,916</u>

## 3. INVESTMENT INCOME

	2021 £'000	2020 £'000
Interest receivable	1	1
Dividends received from investment and unit trusts	225	237
	<u>226</u>	<u>238</u>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

## 4. TOTAL EXPENDITURE

	Activities undertaken directly 2021 £'000	Grant funding of activities 2021 £'000	Support costs 2021 £'000	Total 2021 £'000	Total 2020 £'000
<b>Cost of raising funds</b>					
Fundraising	111	-	64	175	146
Fundraising events:	523	-	64	587	253
	<u>634</u>	<u>-</u>	<u>128</u>	<u>762</u>	<u>399</u>
<b>Charitable activities</b>					
Advice and Guidance	481	69	237	787	660
Financial assistance	3	227	-	230	244
Welfare Projects	1,064	-	261	1,325	1,186
Healthy living & well-being	69	81	-	150	84
Community	1	-	-	1	1
Housing	889	-	112	1,001	973
Communications and advocacy	126	-	36	162	157
	<u>2,633</u>	<u>377</u>	<u>646</u>	<u>3,656</u>	<u>3,305</u>
<b>TOTAL EXPENDITURE</b>	<u>3,267</u>	<u>377</u>	<u>774</u>	<u>4,418</u>	<u>3,704</u>

Included within support costs are audit fees, payable to RSM UK Audit LLP, of £16,150, of which £9,650 relate to the charity (2020: £15,450; £9,530 relate to the charity).

Grant funding of activities is analysed as follows:

	Grants to individuals 2021 £'000	Grants to institutions 2021 £'000	Total 2021 £'000	Total 2020 £'000
Advice & guidance	-	69	69	68
Financial assistance	227	-	227	238
Healthy living and well-being	-	81	81	60
	<u>227</u>	<u>150</u>	<u>377</u>	<u>366</u>
			2021 £'000	2020 £'000
Payments to individuals			227	238
Racing Centre			44	35
Life Skills			37	25
Sports Chaplaincy UK			69	68
			<u>377</u>	<u>366</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

## 4. TOTAL EXPENDITURE (continued)

Support costs allocation	Human Resources	Admin Costs	Premises Costs	IT Costs	Governance Costs	Total	Total
	2021	2021	2021	2021	2021	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost of raising funds</b>							
Cost of fundraising, fundraising events and trading	75	23	8	2	20	128	93
<b>Charitable activities</b>							
Advice & guidance	140	42	15	4	36	237	169
Welfare Projects	181	54	20	6	-	261	257
Housing	54	16	6	2	34	112	71
Communications and advocacy	21	6	2	1	6	36	46
<b>TOTAL SUPPORT COSTS</b>	<b>471</b>	<b>141</b>	<b>51</b>	<b>15</b>	<b>96</b>	<b>774</b>	<b>636</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 (2020: £nil) and £nil (2020: £1,000) of donations were received from trustees.

## 6. STAFF COSTS

	2021	2020
	£'000	£'000
Wages and salaries	1,561	1,424
Social security costs	153	140
Pension costs	147	125
	<b>1,861</b>	<b>1,689</b>

The number of employees who received total employee benefits (excluding pension contributions) of more than £60,000 was as follows:

	2021	2020
£60,000 - £70,000	1	1
£80,000 - £90,000	-	1
£100,000 - £110,000	1	-
£110,000 - £120,000	-	1
£120,000 - £130,000	1	-

The average number of employees, analysed by function, was:

	2021	2020
	No	No
Charitable activities	37	33
Fundraising	7	6
Management and administration of the Charity	8	8
	<b>52</b>	<b>47</b>

During the year remuneration received by key management personnel totalled £317k (2020: £300k). Key management personnel are the Chief Executive, Chief Operating Officer and Director of Welfare.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

## 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 £146k (2020 - £125k). At the year end the amount due in creditors in respect of pension contributions was £13k (2020 - £12k).

## 8. INTANGIBLE FIXED ASSETS

Group	Nomination Rights £'000
<b>Cost</b>	
At 1 January 2021 and at 31 December 2021	198
<b>Amortisation</b>	
At 1 January 2021	36
Charge for the year	2
At 31 December 2021	38
<b>Net book value</b>	
At 31 December 2021	160
At 31 December 2020	162

## 9. TANGIBLE FIXED ASSETS

Group	Assets under development	Freehold land and buildings £'000	Leasehold buildings £'000	Equipment and motor vehicles £'000	Total £'000
<b>Cost or deemed cost</b>					
At 1 January 2021	-	15,669	341	1,254	17,264
Additions	19	28	-	211	258
Disposals	-	-	-	(54)	(54)
At 31 December 2021	19	15,697	341	1,411	17,468
<b>Depreciation</b>					
At 1 January 2021	-	1,179	54	424	1,657
Charge for the year	-	228	8	107	343
Disposals	-	-	-	(54)	(54)
At 31 December 2021	-	1,407	62	477	1,946
<b>Net book value</b>					
At 31 December 2021	19	14,290	279	934	15,522
At 31 December 2020	-	14,490	287	830	15,607

Freehold land and buildings includes freehold land of £3,837k (2020: £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 2021

## 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 2021	1,691	316	2,007
Additions	28	46	74
Disposals	-	(48)	(48)
At 31 December 2021	<u>1,719</u>	<u>314</u>	<u>2,033</u>
<b>Depreciation</b>			
At 1 January 2021	64	257	321
Charge for the year	13	27	40
Disposals	-	(48)	(48)
At 31 December 2021	<u>77</u>	<u>236</u>	<u>313</u>
<b>Net book value</b>			
At 31 December 2021	<u>1,642</u>	<u>78</u>	<u>1,720</u>
At 31 December 2020	<u>1,627</u>	<u>59</u>	<u>1,686</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 (2020: £433k) that is not depreciated.

Historic cost	2021 £'000	2020 £'000
<b>Group</b>		
Gross cost	14,620	14,431
Accumulated depreciation on historic cost	(2,828)	(2,554)
	<u>11,792</u>	<u>11,877</u>
<b>Charity</b>		
Gross cost	1,719	1,691
Accumulated depreciation on historic cost	(77)	(64)
	<u>1,642</u>	<u>1,627</u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

## 10. INVESTMENTS HELD AS FIXED ASSETS

	Group 2021 £'000	Charity 2021 £'000	Group 2020 £'000	Charity 2020 £'000
<b>Listed securities:</b>				
Market value at 1 January	14,558	12,320	15,340	12,810
Additions	-	-	6,302	5,408
Disposals	-	-	(5,302)	(4,408)
Transfer from BBR Charity	-	2,071	-	-
Net investment (losses)/gains	1,958	1,695	(1,782)	(1,490)
Market value at 31 December	16,516	16,086	14,558	12,320
Historic cost at 31 December	12,772	12,988	12,772	10,917
<b>Listed investments are represented by:</b>				
Trojan Income Fund (S Income)	7,436	5,924	5,475	4,148
Trojan Fund (S Income)	5,789	6,323	5,789	4,881
Majedie UK Equity Fund X Income Shares	3,291	3,838	3,294	3,291
	16,516	16,085	14,558	12,320
Trophies	15	15	15	15
	16,531	16,100	14,573	12,335

### 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 2021 £'000	Charity 2021 £'000	Group 2020 £'000	Charity 2020 £'000
At 1 January 2021	58	58	57	57
Interest charged	1	1	1	1
At 31 December 2021	59	59	58	58

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 2021

## 12. DEBTORS

	Group 2021 £'000	Charity 2021 £'000	Group 2020 £'000	Charity 2020 £'000
<b>Due within one year</b>				
Trade debtors	101	74	34	7
Sundry debtors	12	1	12	1
Due from group charities	-	-	-	50
Due from connected charities	55	55	55	55
Prepayments and accrued income	771	763	555	533
	<u>939</u>	<u>893</u>	<u>656</u>	<u>646</u>
 Sundry debtors due after more than one year	 22	 22	 22	 22
	<u>961</u>	<u>915</u>	<u>678</u>	<u>668</u>

Sundry debtors due after more than one year consist of secured loans of £22k (2020: £22k). These loans, made for charitable purposes, are secured by legal charges over property.

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

Trade creditors	234	176	101	55
Taxation and social security costs	55	53	49	46
Sundry creditors	13	11	220	221
Accruals and deferred income	289	97	257	136
Pension contributions	14	13	16	12
Due to group charities	-	200	-	-
Mortgages for housing due within 1 year	40	-	40	-
	<u>645</u>	<u>550</u>	<u>683</u>	<u>470</u>

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

Mortgage on Jack Jarvis Close	93	-	93	-
Loan on Summerhill House	1,600	-	1,640	-
	<u>1,693</u>	<u>-</u>	<u>1,733</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	-	1,570	-
	<u>1,773</u>	<u>-</u>	<u>1,773</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 2021

## 15. STATEMENT OF FUNDS

GROUP	At 1 January 2021 £'000	Income £'000	Expenditure £'000	Gains / (losses) £'000	Transfers £'000	At 31 December 2021 £'000
General reserve	1,737	2,946	(2,382)	48	(237)	2,112
Designated funds:						
Income fund	10,958	-	-	1,676	-	12,634
Fixed asset fund	5,989	-	(246)	-	487	6,230
Housing development fund	186	-	-	-	(186)	-
Repairs and maintenance fund	-	-	(37)	-	83	46
Extraordinary repairs fund	40	-	-	-	-	40
<b>Total unrestricted funds</b>	<b>18,910</b>	<b>2,946</b>	<b>(2,665)</b>	<b>1,724</b>	<b>147</b>	<b>21,062</b>
Restricted funds						
Mental Health & Addiction support	15	322	(335)	-	-	2
Chaplaincy	-	19	(19)	-	-	-
Racing Support Line	-	91	(72)	-	(12)	7
Middleham	790	60	-	-	-	850
CATS	35	235	(235)	-	-	35
Beneficiaries holiday fund	50	50	-	-	(50)	50
YP Housing in Newmarket	30	47	-	-	-	77
IMO Tim Jones MHFA	6	4	(3)	-	-	7
Occupational Health	81	528	(551)	-	-	58
Wellbeing Programme Management	-	62	(62)	-	-	-
Epsom Racing Staff Welfare	-	32	-	-	-	32
Life Skills for the Young	-	4	(4)	-	-	-
Mental Health Industry Lead	-	35	(35)	-	-	-
Covid Hardship grants	1	123	(124)	-	-	-
Christmas Events	-	-	(38)	-	50	12
Welfare Support Officer Newmarket	-	15	(15)	-	-	-
Malton Office	-	13	(13)	-	-	-
Rank Foundation	-	25	(25)	-	-	-
Phase II Wellbeing	-	36	(36)	-	-	-
Beneficiaries in Berkshire	-	2	-	-	-	2
Eldery in Yorkshire	-	2	-	-	-	2
East Suffolk Food Vouchers	-	8	(8)	-	-	-
Check in and Chat	-	10	(10)	-	-	-
BBR assets fund	-	-	-	18	2,071	2,089
Housing for racing people	7,207	-	(149)	-	(135)	6,923
<b>Total restricted fund</b>	<b>8,215</b>	<b>1,723</b>	<b>(1,734)</b>	<b>18</b>	<b>1,924</b>	<b>10,146</b>
Endowment Funds						
Housing for racing people	868	-	(19)	-	-	849
Betinck and Beresford	1,855	-	-	216	(2,071)	-
	<b>2,723</b>	<b>-</b>	<b>(19)</b>	<b>216</b>	<b>(2,071)</b>	<b>849</b>
<b>Total funds</b>	<b>29,848</b>	<b>4,669</b>	<b>(4,418)</b>	<b>1,958</b>	<b>-</b>	<b>32,057</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

## 15. STATEMENT OF FUNDS (continued)

GROUP	At 1 January 2020 £'000	Income £'000	Expenditure £'000	Investment gains / losses £'000	Transfers £'000	At 31 December 2020 £'000
General reserve	1,175	3,835	(1,438)	(50)	(807)	2,715
Designated funds:						
Income fund	11,448	-	-	(1,490)	(300)	9,658
Fixed asset fund	5,958	-	(255)	-	608	6,311
Housing development fund	439	-	(253)	-	-	186
Extraordinary repairs fund	40	-	-	-	-	40
Total unrestricted funds	19,060	3,835	(1,946)	(1,540)	(499)	18,910
Restricted funds						
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 Time 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)	-	-	-
Welfare Support Officer Newmarket	24	-	(24)	-	-	-
Housing for racing people	7,247	-	(132)	-	92	7,207
Racing Homes strategy report	-	51	(51)	-	-	-
Housing Support Officer	24	-	-	-	(24)	-
Total restricted fund	7,931	1,521	(1,736)	-	499	8,215
Endowment Funds						
Housing for racing people	890	-	(22)	-	-	868
Betinck and Beresford	2,097	-	-	(242)	-	1,855
	2,987	-	(22)	(242)	-	2,723
Total funds	29,978	5,356	(3,704)	(1,782)	-	29,848

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

## 15. STATEMENT OF FUNDS (continued)

CHARITY	At 1 January 2021 £'000	Income £'000	Expend- iture £'000	Gains / losses £'000	Transfers £'000	At 31 December 2021 £'000
General reserve	1,270	2,012	(1,890)	-	(63)	1,329
Designated funds:						
Income fund	10,958	-	-	1,676		12,634
Fixed asset fund	1,744	-	(40)		75	1,779
Housing development fund	186	-	(186)	-	-	-
<b>Total unrestricted funds</b>	<b>14,158</b>	<b>2,012</b>	<b>(2,116)</b>	<b>1,676</b>	<b>12</b>	<b>15,742</b>
Restricted funds						
Mental Health & Addiction support	15	322	(335)	-	-	2
Chaplaincy	-	19	(19)	-	-	-
Racing Support Line	-	91	(72)	-	(12)	7
Middleham	290	60	-	-	-	350
CATS	35	235	(235)	-	-	35
Beneficiaries holiday fund	50	50	-	-	(50)	50
YP Housing in Newmarket	30	47	-	-	-	77
IMO Tim Jones MHFA	6	4	(3)	-	-	7
Occupational Health	81	528	(551)	-	-	58
Wellbeing Programme Management	-	62	(62)	-	-	-
Epsom Racing Staff Welfare	-	32	-	-	-	32
Life Skills for the Young	-	4	(4)	-	-	-
Welfare Support Officer Newmarket	-	15	(15)	-	-	-
Mental Health Industry Lead	-	35	(35)	-	-	-
Covid hardship grants	1	123	(124)	-	-	-
Christmas events	-	-	(38)	-	50	12
Malton Office	-	13	(13)	-	-	-
Rank Foundation	-	25	(25)	-	-	-
Phase II Wellbeing	-	36	(36)	-	-	-
Beneficiaries in Berkshire	-	2	-	-	-	2
Eldery in Yorkshire	-	2	-	-	-	2
East Suffolk Food Vouchers	-	8	(8)	-	-	-
Check in and Chat	-	10	(10)	-	-	-
BBR assets fund	-	2,071	-	19	-	2,090
	508	3,794	(1,585)	19	(12)	2,724
<b>Total funds</b>	<b>14,666</b>	<b>5,806</b>	<b>(3,701)</b>	<b>1,695</b>	<b>-</b>	<b>18,466</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

## 15. STATEMENT OF FUNDS (continued)

CHARITY	At 1 January 2020 £'000	Income £'000	Expend- iture £'000	Investment gains / losses £'000	Transfers £'000	At 31 December 2020 £'000
General reserve	1,014	2,996	(1,716)	-	(1,024)	1,270
Designated funds:						
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>
Restricted funds						
Mental Health & Addiction support	21	341	(347)	-	-	15
Chaplaincy	-	10	(10)	-	-	-
Racing Support Line	-	84	(84)	-	-	-
Qatar Racing	88	-	-	-	(88)	-
Database	-	-	-	-	-	-
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)	-	-	-
Covid hardship grants	-	170	(169)	-	-	1
Festive food parcels	-	5	(5)	-	-	-
Malton Office	-	10	(10)	-	-	-
	<b>636</b>	<b>1,425</b>	<b>(1,497)</b>	<b>-</b>	<b>(56)</b>	<b>508</b>
<b>Total funds</b>	<b>15,243</b>	<b>4,421</b>	<b>(3,521)</b>	<b>(1,490)</b>	<b>13</b>	<b>14,666</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 2021

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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.

### Repairs and maintenance fund

The designated repairs and maintenance fund represents the LHA Subsidy grant paid from Racing Welfare to Racing Homes to be used for significant repairs, maintenance and refurbishment of Racing Homes property.

### 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.

### 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 2021

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## 15. STATEMENT OF FUNDS (continued)

### **Beneficiaries holiday fund**

This fund is restricted to major holidays.

### **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.

### **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.

### **Life Skills for the Young**

A grant received to be used towards the Life Skills programme that Racing Welfare contributes towards and held at the British Racing School and National Racing College.

### **Mental Health Services**

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

### **Mental Health Industry Lead**

A grant from the Racing Foundation to lead and oversee the delivery of a cross industry mental health strategy.

### **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 2021

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## 15. STATEMENT OF FUNDS (continued)

### Christmas events

Funded by a grant from Godolphin and to be used towards Christmas lunches, festive parcels and other Christmas events.

### 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.

### Rank Foundation

Funds received from the Rank Foundation to be used towards staff costs in Q1 of 2021.

### Phase II Industry Wellbeing Strategy

A grant from the Racing Foundation to fund Baseline Data Survey of industry wellbeing and five facilitated workshops with stakeholders from the industry.

### Beneficiaries in Berkshire

A grant to fund activities with beneficiaries based in Berkshire.

### Elderly beneficiaries in Yorkshire

A grant to be used towards events and outings of retired beneficiaries in Yorkshire.

### Food vouchers

A grant received from East Suffolk County Council to fund food vouchers for retired beneficiaries in Newmarket.

### BBR assets fund

Assets transferred from the Bentinck, Beresford and Rendlesham Charity (BBR) in 2021 held as restricted funds in furtherance of BBR's objects.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

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## 15. STATEMENT OF FUNDS (continued)

### **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 has historically resided 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. In 2021 the Charity Commission approved the release of the permanent endowment and the assets were transferred to Racing Welfare.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

## 16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Endowment & Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total Funds 2021 £'000
Fixed assets	9,861	20,598	1,813	32,272
Net current assets	1,134	45	299	1,478
Long-term liabilities	-	(1,693)	-	(1,693)
	<u>10,995</u>	<u>18,950</u>	<u>2,112</u>	<u>32,057</u>

### CHARITY

Fixed assets	2,090	14,413	1,376	17,879
Net current assets	634	-	(47)	587
Long-term liabilities	-	-	-	-
	<u>2,724</u>	<u>14,413</u>	<u>1,329</u>	<u>18,466</u>

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>

## 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 2021

## 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.	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Income	-	-	1,111	1,632
Expenditure	-	-	(898)	(911)
Investment gains	-	-	-	-
Net profit	-	-	213	721
Fixed assets	-	-	13,364	13,462
Current assets	5	5	997	686
Liabilities	-	-	(1,983)	(1,985)
Net assets	5	5	12,378	12,163
Funds/capital and reserves:				
Unrestricted funds	5	5	4,671	4,219
Restricted funds	-	-	7,707	7,944
	5	5	12,378	12,163
	<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.	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Total income	68	67	15	38
Total expenditure on charitable activities	(63)	(52)	(15)	(38)
Investment gains	48	(50)	215	(242)
Net movement in funds	53	(35)	215	(242)
Fixed assets	1,280	1,253	-	1,856
Current assets	208	157	-	16
Liabilities	(30)	(5)	-	(16)
Net assets	1,458	1,405	-	1,856
Funds/capital and reserves:				
Unrestricted funds	609	536	-	-
Endowment funds	849	870	-	1,856
	1,458	1,406	-	1,856



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

## 18. CASH FLOW INFORMATION

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

	2021 £'000	2020 £'000
Net income / (expenditure) for the year	2,209	(130)
(Gains) / losses on investments	(1,958)	1,782
Depreciation and amortisation	345	336
(Increase) in debtors	(283)	(96)
Increase in creditors	(109)	252
Net cash inflow from operating activities	<u>204</u>	<u>2,144</u>

### b) Analysis of net debt

	At 1 January 2021 £'000	Cash flow £'000	Non- cash flows £'000	At 31 December 2021 £'000
Bank	1,186	(24)		1,162
Bank loans	(1,773)	40		(1,733)
	<u>(587)</u>	<u>16</u>	<u>-</u>	<u>(571)</u>
<b>Borrowings</b>				
Debt due within one year	(40)	40	(40)	(40)
Debt due after one year	(1,733)	-	40	(1,693)
	<u>(1,773)</u>	<u>40</u>	<u>-</u>	<u>(1,733)</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 2021

## 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	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Leases which expire:				
Within one year	51	21	42	21
Within two - five years	66	7	53	7

During the year £40k (2020: £24k) lease payments were expensed to the SOFA.

## 21. 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.

	2021	2020
	£'000	£'000
Racing Homes	46	46
The Rous Charity	4	4
	<u>50</u>	<u>50</u>

During the year Racing Welfare paid grants to Racing Homes totalling £240k (2020: £848k).

Racing Welfare also received grants from the Bentinck, Beresford & Rendlesham Charity of £19k (2020: £40k) 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 £86k (2020: £59k). The value to the Charity is £56k (2020: £54k).

	2021	2020
	£'000	£'000
Racing Welfare (Enterprises) Limited	(5)	(5)
Racing Homes	(195)	39
The Jockey Club	<u>(51)</u>	<u>(18)</u>

During the year the Charity Commission approved the proposal to amalgamate Racing Welfare and the Bentinck, Beresford & Rendlesham Charity. Further details can be found in note 23.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

## 22. 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.

## 23. ACQUISITIONS

During the year the Charity Commission approved the proposal to amalgamate Racing Welfare and the Bentinck, Beresford & Rendlesham Charity. A written resolution was passed by the Trustees on 2nd December 2021 and subsequently, on 10th December 2021, the assets of the Bentinck, Beresford & Rendlesham Charity comprising of investments with a value of £2,071k were transferred to Racing Welfare and the Bentinck, Beresford & Rendlesham Charity was removed from the Charity Commission register.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at the fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Charity's Statement of Financial Activities as donations.

The Bentinck, Beresford & Rendlesham Charity held its reserves in endowment, but on transfer to Racing Welfare approval was gained from the Charity Commission to release the endowment, so that the reserves are now recognised as restricted reserves.

Net asset transfers	2021 £	2020 £
Investments	2,071	2,071

## 24. FINANCIAL INSTRUMENTS

	2021		2020	
	Group £'000 £	Charity £'000 £	Group £'000 £	Charity £'000 £
Financial assets:				
Equity instruments measured at fair value	16,516	16,086	14,558	12,320

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

## 25. STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR YEAR ENDED 31ST DECEMBER 2020

	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Endowment funds 2020 £'000	Total funds 2020 £'000
<b>INCOME FROM:</b>				
Donations and legacies	2,435	1,481	-	3,916
Charitable activities	833	-	-	833
Other trading activities:				
Fundraising trading	282	40	-	322
Investments	238	-	-	238
Other income	47	-	-	47
<b>TOTAL INCOME</b>	<b>3,835</b>	<b>1,521</b>	<b>-</b>	<b>5,356</b>
<b>EXPENDITURE ON:</b>				
Raising funds	399	-	-	399
Charitable activities	1,547	1,736	22	3,305
<b>TOTAL EXPENDITURE</b>	<b>1,946</b>	<b>1,736</b>	<b>22</b>	<b>3,704</b>
<b>NET (EXPENDITURE) FOR THE YEAR</b>	<b>1,889</b>	<b>(215)</b>	<b>(22)</b>	<b>1,652</b>
Net gains/(losses) on investments	(1,540)	-	(242)	(1,782)
<b>NET INCOME FOR THE YEAR</b>	<b>349</b>	<b>(215)</b>	<b>(264)</b>	<b>(130)</b>
Transfers between funds	(499)	499	-	-
<b>NET MOVEMENTS IN FUNDS</b>	<b>(150)</b>	<b>284</b>	<b>(264)</b>	<b>(130)</b>
Balance brought forward	19,060	7,931	2,987	29,978
Balances carried forward	18,910	8,215	2,723	29,848