



RACING WELFARE

Report and Financial Statements

31 December 2022

Registered charity number: 1084042
Company registration number: 04116279

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financial activities

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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

Olivia Broderick (Appointed June 2022)

Lady Celina Carter

Jonathan Eddis

Richard Farquhar

Morag Gray (Retired June 2023)

Simon Hope

Nicky Lyon (Retired June 2022)

Patrick Russell (Retired June 2023)

Nick Mcleod-Clarke (Appointed June 2022)

Rod Street

Paul Swain (Appointed June 2023)

Venetia Wrigley

KEY MANAGEMENT:

Chief Executive Officer - Dawn Goodfellow

Chief Operating Officer - Gemma Waterhouse

Director of Welfare - Simone Sear

Director of Housing - Wendy Botterill

Finance and Operations Director - Matthew Cawkwell

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

Price Bailey LLP

Tennyson House

Cambridge Business Park

Cambridge

CB4 0WZ

CHAIR'S STATEMENT

Our Chair, William Barlow, reflects on 2022

2022 has in many ways felt like a normal year, a very welcome feeling after the disruptive past two. A full year of in-person activity with welfare officers back on the front line, fundraising activities back to pre-COVID levels and our support staff enjoying seeing each other back within an office environment. There is however lasting impact from the pandemic. Our office workers are able to utilise hybrid working effectively due to our investment in IT and paperless systems. Our beneficiaries, residents, staff and trustees are more comfortable with online communications, saving time and travel costs, as well as improving our environmental impact. The negative is the continued adverse impact on our beneficiaries. We supported over 2,700 beneficiaries in 2022, an increase of 8% on the prior year, and we continue to be presented with more complex cases. Physical health (Occupational Health) again dominates the issues most presented, followed closely by financial hardship and mental health issues. The support we have received from the John Pearce Foundation has been key to us being able to provide financial assistance grants to those that need it most during a time of fuel poverty and inflation.

The largest part of our service delivery, the Workforce Wellbeing Programme, was part-funded for the year by the Racing Foundation, with the target of 15% of the cost to be met by employer contributions. We continue to be immensely grateful for the support that the Foundation have provided us over the last five years. The Racing Foundation's investment in this programme allowed us to develop an initial pilot scheme, into a full, proven Employee Assistance Programme available to the 20,000 working in the industry. It remains the only major programme directly targeting the retention issue in horseracing and is a good example of the Foundation funding industry-changing initiatives. The intention of the Foundation, over time, was to encourage the industry to take ownership of the scheme and fund it. Despite our best efforts, reaching employers in the industry to explain the change in funding and the need to contribute to the programme has been extremely challenging and we were unable to achieve the target of 15%. This meant that the programme has been part-funded from Racing Welfare's reserves in 2022 which has continued through 2023 at a much higher, unsustainable rate due to the withdrawal of funding. Although progress has been made with industry leaders, we are yet to secure a funding model. Progressing this model continues to be high priority for the executive team but in the immediate term the team may be forced to scale down the programme, reducing the service in some areas, due to the lack of funding.

The core costs of the charity run at £2.3m per year, these are met in part by our investment income but to a much greater extent, the generosity of our supporters, through grants, donations and via our fundraising activities. The new event for 2022 was a 24 hour gruelling cycle around Cheltenham. Over 80 people took part, including many high-profile racing names, raising not only the profile of Racing Welfare but also £150,000 in much needed funds. I am humbled and eternally grateful to all those who take part in challenge events or give their time to hold fundraisers for the charity. We still do not receive any industry funding for the work we do and we remain reliant on voluntary support in order to deliver the vital services to the industry.

The trustees' report gives a detailed view of our work across the different workstreams, from housing to mental health services, fundraising to financial performance. What it doesn't do is measure the true impact of our work. We can measure the impact it has on the individual, but for every one person we support, their wellbeing impacts their colleagues, their employer, their family and friends and of course the wider community. There is a ripple effect that is hard to quantify but there is no doubt that the positive impact of our work goes well beyond the 2,700 supported this year.



William Barlow
Chair

TRUSTEES' REPORT

Objectives and Activities

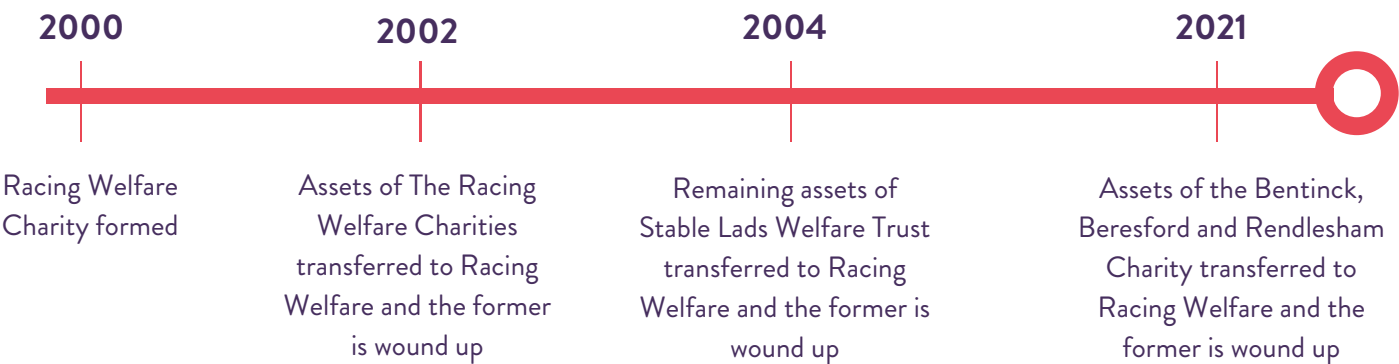
(Including the Strategic Report)

The trustees present their annual report, incorporating the strategic report, and the audited financial statements of the charity and group for the year ended 31 December 2022 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 enable 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

(Including the Strategic Report)



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

(Including the Strategic Report)

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. Our achievements and performance section provides more detail on how we have delivered our charitable services.

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

(Including the Strategic Report)

ACHIEVEMENTS AND PERFORMANCE

Financially and operationally Racing Welfare have had a good year, consistent in most areas with 2021. Income levels remained similar with some increases in spend across housing and welfare projects. The result is a £683k deficit in the year, using up the £251k surplus made in 2021. A more fluid year with less disruption has meant a more manageable year for our staff.

In 2022 the charity has used its reserves to continue to deliver the Workforce Wellbeing Programme (WWP) at the same level as the previous three years, as well as to fund the first of a five-year programme of essential capital improvement works to our housing stock. This use of charity reserves is expected and appropriate where surplus reserves are held, but on-going use of these reserves has to be closely monitored to ensure that the medium to long term strategy for the charity can be delivered. The trustees continue to monitor our reserves, most of which are invested and professionally managed, in income producing or total return investments or in our fixed assets in Racing Homes.

Racing Homes had a successful year with an expanded team and KPI reporting showed positive results across the board. Of particular note are the improvements in all areas of compliance.

Expenditure on welfare projects increased due to expenditure on the WWP and the reintroduction of the beneficiaries' holiday which had been put on hold in 2020 and 2021 because of the pandemic.

Our future funding model continues to be the biggest challenge facing the charity. Over 50% of the welfare spend is attributable to the Workforce Wellbeing Programme, the Employee Assistance Programme available to all those who work in horseracing. The programme has been funded up until now in the most part by the Racing Foundation, and thus employers and employees have had free access to the service. In the past three years over 5,000 people have accessed support via the programme, which represents over 25% of the workforce. If this programme is to continue it is imperative that a sustainable funding model, which sees employers contribute to the programme, is established. Despite our best efforts this has not been achieved and it is felt responsibility for the funding should sit with the industry.



TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)

WHAT WE HAVE ACHIEVED (continued)

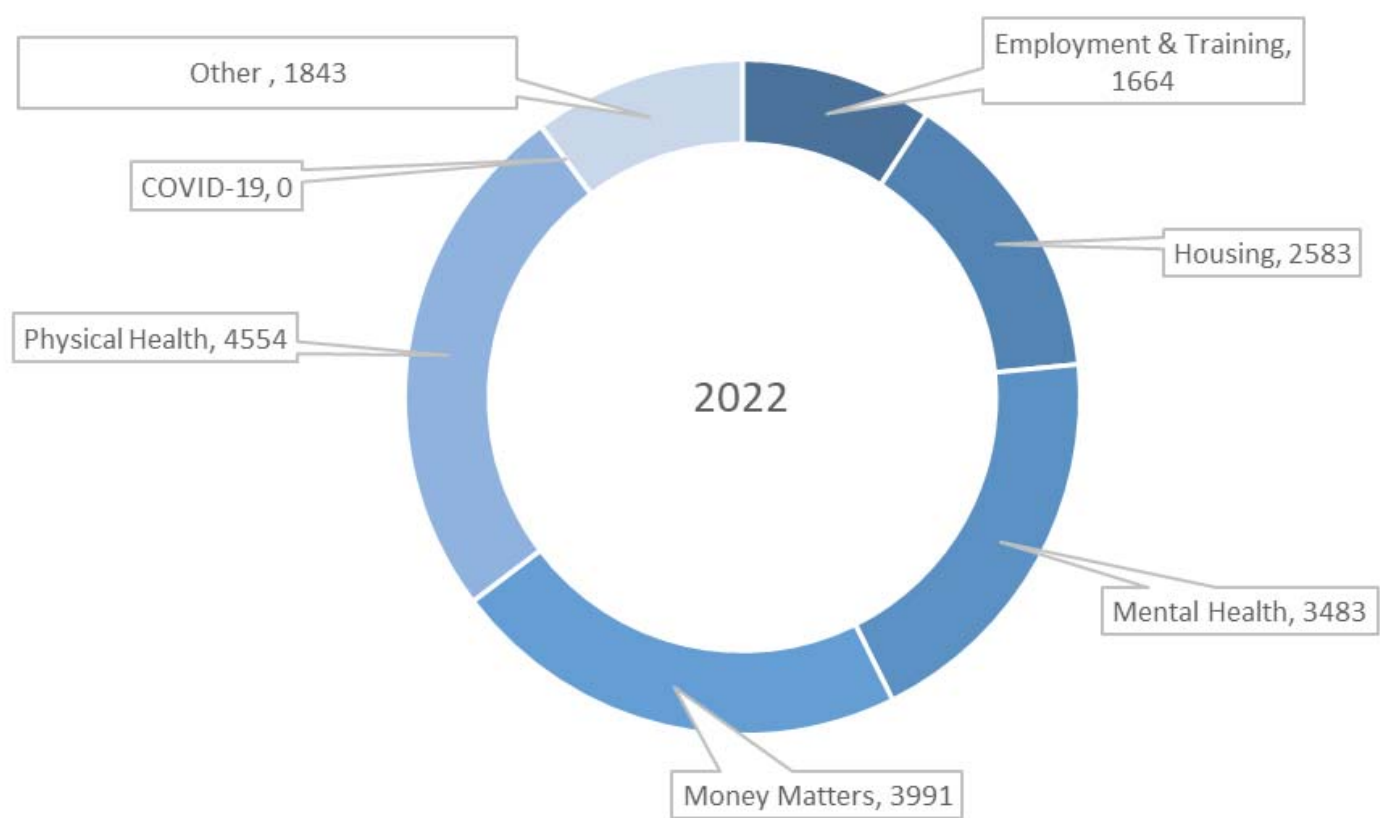
Focus on:

Welfare Services

In total, 2,740 (2021: 2,405) individuals sought Racing Welfare’s help in 2022. This represents a 13.9% increase on 2021 statistics, which was largely expected as a combination of the start of the cost-of-living crisis and a lifting of all COVID restrictions occurred during 2022. A total of 18,118 (2021: 18,479) instances of support were provided across a wide range of issues. This is a 2% decrease, which might seem unexpected given the increase in unique beneficiaries supported this year compared to last year, however two significant changes in the way we work, both introduced last year, will account for this drop:

- Introduction of a new online grants portal to digitalise grant applications making the process more accessible and removing barriers for beneficiaries.
- Changes to our Occupational Health process to make it easier to access for beneficiaries and to reduce the administrative burden for our welfare team. For context, last year we recorded 4,154 instances of support against OH and this year only 2,078, but use of OH has in fact increased.

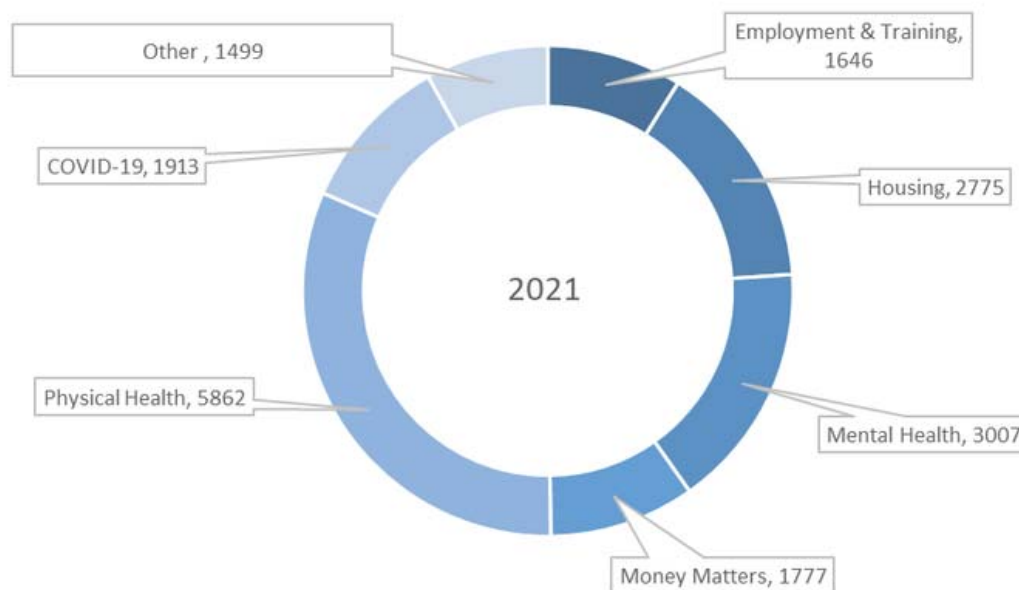
Physical health issues (including Occupational Health support), money matters and mental health related issues were the most common reasons for seeking support.



TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)



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 Mental Health Services and is funded by a grant from the Racing Foundation.

Racing's Support Line

Racing's Support Line (RSL) provides 24 hour, 365 days a year service via telephone and online chat. The service can help with a whole range of issues, from emotional support through to debt and benefits advice and wider consumer rights. The service also provides structured, solution focussed counselling for individuals with BACP accredited counsellors. In 2022, 1,232 individuals contacted Racing's Support Line (an increase of 27% from 2021) and the online self-help digital pages achieved 19,376 views (down from 28,680 in 2021). The decrease in digital views is a reduction in people seeking Covid 19 related information, in addition to the increase in calls made directly to Racing's Support Line.

Top page views, related to financial support available via Racing Welfare's grants (e.g. Home Energy Grant) and were driven by the cost of living crisis.

Racing's Occupational Health Service

Racing's Occupational Health Service (ROHS) provides support to people working in the horseracing industry around a range of physical and mental health issues which include musculoskeletal disorders, accident & injury, disability, illness, stress, depression and anxiety. We moved to a new provider of Occupational Health services in April 2022; Healthwork Ltd. In 2022 we referred 386 new people through ROHS, an increase of 34% from 2021.

Grants totalling £176,256 (2021: £85,542) 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

(Including the Strategic Report)

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 digital content remains very popular, with 9,239 views of CATS digital material in 2022 (2021: 10,174). CATS support remained static, with 126 (2021: 126) people receiving careers support via the bespoke telephone careers coaching service, accessed through Racing's Support Line. Career development grants totalling £47,934 (2021: £52,264) were awarded in 2022 through CATS. In addition, £9,604 (2021: £12,777) 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 2022, the second annual CATS Personal Development Awards, sponsored by Hartpury University, were held. The three finalists were invited to an awards lunch at Newmarket racecourse where the winner was announced.

CATS CASE STUDY - DAVID KILLAHENA

Fergal O'Brien's assistant trainer, David, had only just taken on new responsibilities at work when he suffered a severe multiple fracture to his leg and ankle. He explains how, without Racing Welfare's help, he'd have been facing an extended period off work.



David said: "You couldn't write it, I jumped down from the horsebox onto the road and my leg and ankle snapped! In almost twenty years of riding racehorses, I'd never broken anything, then I had a break like this from such a simple accident."

He recalls: "As the realisation set in about how bad a break this really was, all I could think was 'how am I actually going to do this?'. Due to needing surgery, having a plate and 14 screws fitted, I had no choice but to take four weeks off. I was very keen to get back... It was a massive inconvenience.

"Coping with that was quite hard, especially at a time when I was moving into a new role and taking on a new challenge in my career."

Feeling frustrated at not being able to carry out his normal duties, David contacted Racing Welfare for help with his post-op rehabilitation.

He said: "It became apparent quite soon after my surgery that I was going to need intense physio, which was going to cost a lot of money and time. I spoke to our secretary at work who suggested I give Racing Welfare a bell. It was a massive help, they quickly organised treatment for me at the Injured Jockeys Fund's Oaksey House in Lambourn. I will always be grateful for that, not only organising that but paying for it - without them it would have cost me a lot of money and going through the NHS would have taken a lot longer."

He explains that now, just over one year on from the accident, he still has good days and bad days: "If I do a lot of walking, I still feel the pain the following day. It gets quite tight, and I still have a bit of a limp, I probably always will have. The metalwork is going directly across my ankle, so that does still limit me. But I'm back riding out - it's not stopping me! I can't thank Racing Welfare enough."

TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)

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. We continue to deliver awareness-raising efforts for employers and managers around the critical incident support service that is available through Racing's Support Line. This is for any event in the workplace that is not normal or expected, for example an accident or death. By accessing the critical incident support the workplace has instant access to counsellors over the telephone and the option for a workplace visit by a counselling team 48hrs or more after the event.

To date, 212 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.

All welfare officers receive Mental Health First Aid England (MHFA) training and during 2022 we trained another welfare officer to be a qualified MHFA instructor, taking our total instructor team to 5. We continued to support national mental health campaigns to raise awareness such as Mental Health Awareness Week and World Mental Health Day.

We continued to deliver Mental Health First Aid training in 2022. 41 delegates attended Mental Health First Aid training in classroom settings throughout the year, with attendees coming from a wide range of racing organisations. 25 delegates were trained online in Mental Health First Aid, and 9 delegates attended the online Mental Health Aware course (a shorter, half-day course). Racing Welfare's preventative programme of mental health education to the horseracing industry was highly commended in the third-party influencer category at the Inside Out Mental Health awards 2022. This category recognised organisations who had best influenced beyond their own walls. To date, Racing Welfare has trained over 550 people to be Mental Health First Aiders across the horseracing industry.

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 (usually paid directly for a service / product supplier to improve wellbeing). A small number of grants are provided to other charitable organisations that offer services to people who work in, or are retired from, horseracing. During 2022, we received funding from the John Pearce Foundation to offer targeted grants, paid directly to individuals and which amounted to £134k (2021: £123k).

During the year £245k in grants were awarded (2021: £227k) with the most common reason for applying for grants being hardship/debts.



TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)

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 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. During 2022 we secured at least £126,488 (2021: £73,359) of statutory entitlements for our beneficiaries. A welfare officer can act as an advocate wherever necessary. At other times they may 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. In 2022 Racing Welfare's IAG service gained the Matrix accreditation, an international quality standard for organisations that deliver information, advice and guidance.

Services for the retired community

Racing Welfare supports horseracing's retired community in a variety of 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. Most often, this is done through coffee mornings and horseracing reminiscence groups across the country as well as outings and trips, Christmas lunches and a beneficiary holiday.

In 2022:

- There were 2,233 attendees (2021: 714) at 77 in-person coffee mornings and reminiscence events held in 10 different areas.
- A further 1,488 (2021: 1,050) attendances at 31 retired beneficiary trips and outings, including 4 Christmas lunches and 3 combined working staff and retired staff events.
- The 'Check-in and Chat' telephone befriending service continued to be delivered by a team of 20 volunteers who regularly call a total of 50 vulnerable and isolated beneficiaries.



TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)

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. Talks focus on raising awareness of Racing Welfare's support as well as how to prevent problems when transitioning into the workplace. 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. 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. 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 engagement and education

Our frontline welfare teams continue to visit horseracing workplaces to raise awareness of our services and build relationships. During 2022 the team conducted 689 (2021: 632) visits to racehorse training yards, racecourses visits and thoroughbred studs.

As a business we also made the decision, in late 2022, to address a known lack of awareness within the industry, and that a new community engagement department was necessary.

Racing Welfare delivered an inaugural Health & Wellbeing across the Horseracing Industry conference in November 2022. The conference focussed on healthy people and healthy organisations with 7 expert speakers covering topics including: occupational health, mental health, the psychological impact of occupational injury, health and wellbeing in small businesses and gambling harm prevention. The virtual conference was attended by 79 people from a wide variety of horseracing industry sectors. Its aim was to provide preventative education to the industry, awareness raising of industry related issues and networking opportunities.

The charity continues to fund the community work of The Racing Centre and a grant of £44k (2021: £44K) was made to the Centre in 2022 to enable them to deliver social and sporting activities to racing's people. Racing Welfare utilise 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. 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

(Including the Strategic Report)

Spotlight on Grants

Lightning Reach - an award-winning social impact start up - has developed a one-stop portal which enables people to find and apply for grants and other support from multiple organisations easily, using secure technology to streamline the process for both individuals and support providers. Co-developed with multiple charities and local authorities, Racing Welfare was part of the first tranche of organisations to use and feedback on the portal.

We first introduced the portal to beneficiaries in March 2022, for core grants applications only. After a period of review and some modifications to both the portal itself and our internal processes, we moved our targeted grants over to the portal in August 2022. Whilst we occasionally still process a grant on a paper form where there is a barrier to access online, the vast majority of grants now come through this portal. There are multiple benefits to both Racing Welfare and the beneficiary of using this platform, including:

- Ability to directly link bank accounts, thereby speeding up both the application process for the beneficiary and the ease of assessment for our welfare officers.*
- Ability within the portal for an automatic identity check to take place, reducing the risk of fraud and saving both the beneficiary and organisation time in checking ID etc.*

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 third 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, completed the Thoroughbred Horseracing Industry's MBA during the year. His research topic will focus on stakeholders' perspectives on community engagement within racing's workforce.



Achievements and Performance continued

Fundraising

None of the above could be achieved without the generosity of donors and supporters of Racing Welfare. In 2022 the group raised £3.3m (2021 - £3.5m) from donations, grants and fundraising events and we are extremely grateful to those who made those contributions. Highlights from our fundraising campaign included:

- Generous support from trusts & foundations including; The Childwick Trust, The Thompson Family, The John Pearce Foundation, EBM Charitable Trust, The Bamford Charitable Foundation, The Sir Peter O’Sullivan Trust, The Racing Foundation, Anne Duchess of Westminster Fund, Lord Leverhulme’s Charitable Trust, The Gerald Leigh Charitable Trust and The Rank Foundation.
- Continued support from companies such as the Jockey Club, Betfair, York Racecourse, Racehorse Lotto, Rewards4Racing, Arena Racing Company, Tote, Racehorse Owners Association, Juddmonte Farms, Sporting Life, William Hill and Godolphin.
- New support from corporate partners such as SBK, Vickers Bet, The Good Racing Co.
- We delivered a range of fundraising events, headlined by The Great Racing Welfare Cycle at Cheltenham Racecourse. Other events included The Aintree Lunch, Woburn Golf Day, Close House Golf Day, both the Epsom and Northern Racing Awards, Haydock Charity Raceday, Racing Staff Week, the Tattersalls Carol Concert and the Newmarket Heath Ride.
- Our Middleham Open Day returned for the first time since 2019, with record numbers in attendance. Due to the passing of The Queen, our Malton and Epsom Open Days were cancelled.
- Our supporters continued to raise funds through their own initiatives, with Hambleton Racing, Middleham Park Racing, Hot to Trot and Henrietta Knight Racing Club all providing support.
- We continue to be supported by generous individuals through personal donations.



TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)

Spotlight on Fundraising

The largest fundraising event in 2022 was the Great Racing Welfare Cycle. A move away from the previous year's week-long event saw teams of four take on a 24-hour cycle challenge around the undulating hills of Cheltenham. Using the racecourse as base-camp teams took on the gruelling challenge through one of the hottest days of the year and raised an incredible £150,000 from the event. The PR impact was far reaching with many high profile racing personalities taking part including Sir Anthony McCoy, Richard Johnson, Ben Pauling, Harry Skelton, Rosie Tapner, Marcus Armytage, Oisin Murphy, Sean Boyce, Vanessa Ryle, Khadija Mellah and Harry Fry.

The fundraiser could not have been run without support from the sponsors Unibet, Racehorse Lotto, Tattersalls and The Jockey Club, as well as Jockey Club Catering.



Our Fundraising Standards

We are registered with the Fundraising Regulator.

The Board of Trustees, our Management Executive and staff are focused and committed to ensuring we build the best possible relationships with our donors, relationships built on trust and respectful fundraising practices.

We strive to ensure giving to charity is the great experience we believe it should be.

We take our responsibilities to our supporters very seriously. With the help of our valued fundraising volunteers, we undertake a diverse range of income generation activities and our fundraising programme includes: Trust fundraising, corporate fundraising with businesses and organisations, community fundraising with individuals and groups and our own programme of events.

We inform our commercial partners of their obligations to ensure fundraising where our name is being used is conducted to the highest possible standards.

We have developed quality assurance mechanisms to monitor activities undertaken by and on behalf of Racing Welfare, including supporter feedback and regular activity reviews.

We regularly evaluate our policies and procedures. Our overarching corporate policy and processes based on best practice identify, respect and protect vulnerable supporters and other members of the public from undue pressure, unreasonable intrusion and unreasonably persistent behaviour in connection with our fundraising activity.

Guidance for fundraising on protecting vulnerable supporters is followed across all our fundraising activities. This is monitored closely alongside our other policies to ensure we are operating the best fundraising standards.

TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)

Housing

In 2022 the 165 (2021: 165) units in the portfolio housed 171 (2021: 174) tenants. There were 41 (2021:51) new lets in the year. Four units of accommodation were substantially or fully refurbished, of which three were our older person accommodations and one working staff. Whilst we continue with a refurbishment programme when our homes are relet, full elemental upgrades such as kitchen, bathroom and heating systems have been carried out only where the condition is beyond economic repair, or it has reached the end of its lifecycle. This is so available funds can be fairly distributed to the maintenance and upgrade of our homes, including those already tenanted in alignment with our new asset investment strategy and planned programs. All other properties which became empty were let to a good standard which included all appropriate repairs, maintenance and partial elemental replacements where needed.

Case Study: Beth

Beth, 19, moved into Racing Welfare's accommodation after completing the five-week Equine Student Progression Programme at the British Racing School. She held her tenancy for almost two years before moving into private accommodation at the end of 2022.

Beth began working for a trainer in Newmarket and got to know some of the other tenants at the recently renovated MacDonald Buchanan house. She put her name onto the Racing Homes waiting list, and within a few months she was moving into one of the 18 self-contained units within the building.

The Racing Homes initiative offers accommodation with the benefit of a project worker who supports young people with life skills to prepare for moving into private accommodation at the end of their stay. Recalling her enjoyable experience, she said:

"It was nice to have people around you of similar ages. You had your own space so could spend time on your own if you wanted to, or you could all chill together and socialise. In the summer we'd do loads of things together. I enjoyed [my time there]."

A real benefit to Beth during her tenancy was the affordability of the accommodation, when compared with previous living arrangements that saw her lodging with a local family.

She said: "You're able to save whilst you're living there. I was learning to drive, and I passed my test during those two years. So, as well as being able to afford the accommodation, I managed to pay for my lessons and save for a car. After [passing my test] I was saving for a deposit so that I could eventually move on. It was good that it was an affordable price, which allowed me to do that."



TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)

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. The planning process has been very challenging and long, the latest issue to be presented was the moratorium on decisions imposed on 42 councils across the country in March of 2022. The new rules imposed in relation to nutrient neutrality meant that Berkshire County Council would spend the next 12 months recruiting an inhouse expert to assess planning applications and the council would inform us that no applications would be processed until later in 2023. These further delays, the significant rise in build costs since we embarked on the project and the associated impact on land prices has seen the Racing Homes trustees make the decision to look at other housing options in the area. As a number of years have passed since we started this journey, the executive will also conduct another housing needs survey in 2023.



TRUSTEES' REPORT

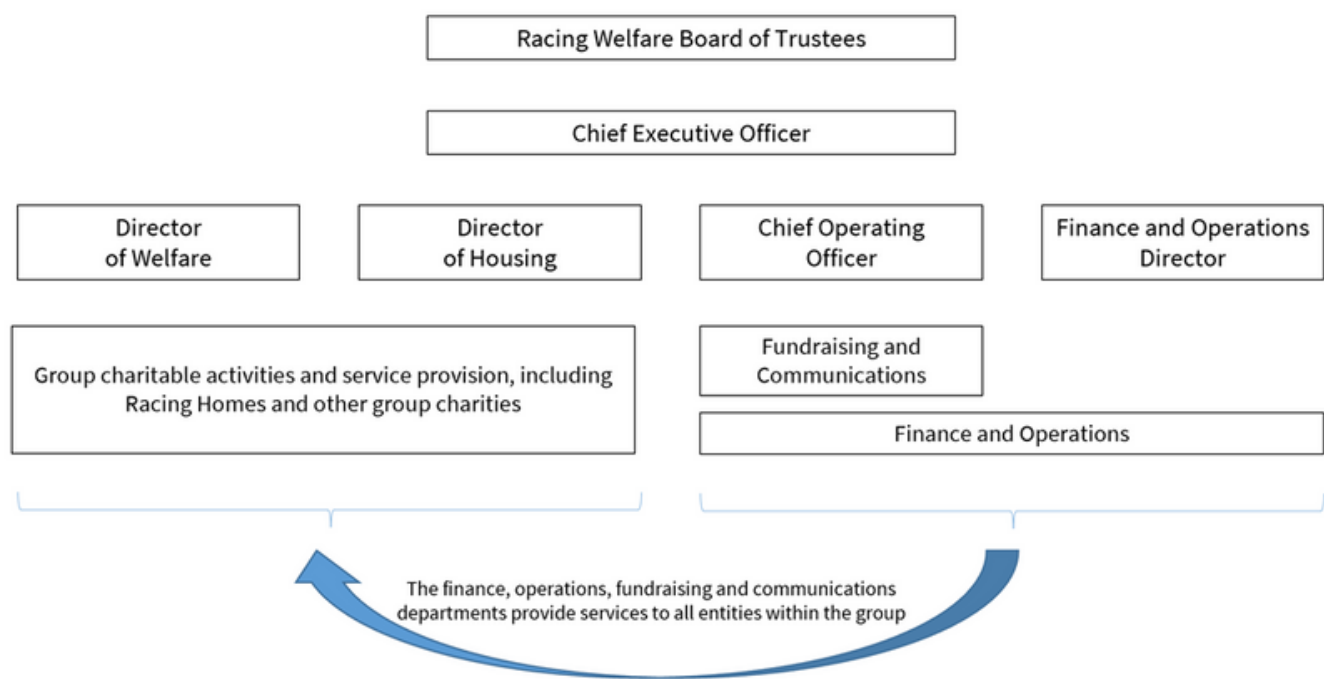
Achievements and Performance continued

(Including the Strategic Report)

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 50 to 51, with two maternity covers in place and an additional welfare officer. Loss of project funding saw one role disappear and a temporary vacancy in the welfare team. 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 Senior Leadership Team comprising the Chief Operating Officer, Director of Welfare, the Director of Housing and the Finance & Operations Director. The Operational Management Team is made up of the Head of Fundraising, Head of Communications, Head of Programmes, Head of Housing and Deputy-Director of Welfare.



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

TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)

WHAT WE PLAN TO DO NEXT

During the year we have started a number of projects which will be finalised or delivered in 2023.

The next service evaluation project will be completed. This will help us to continually improve and develop our services in line with the industry needs.

We will complete our environmental impact work, giving us an accurate measure of our carbon footprint. This will enable us to prioritise areas to improve and develop a commitment that aligns with our charitable objectives and is on a timescale realistic with the charities' operating and financial resource.

We will work with industry leaders to encourage them to develop a funding model for the WWP.

We will improve communications with our beneficiaries via a beneficiary APP which was developed throughout the end of 2022 and beginning of 2023. It will be rolled out throughout 2023 enabling targeted, relevant messaging which aims to ease reliance on social media channels and welfare officer time.

We will deliver a full programme of fundraising events, working to improve our return from each event.

Racing Homes will refine the five-year asset management plan, working with the board to consider each scheme in the portfolio in relation to future environmental impact legislation. The housing team, with the assistance of the Fundraising Team, will develop a fundraising campaign for those capital projects which progress to the next stage of planning.

We will deliver our Community Engagement strategy with a new Head of Community Engagement. The aim of this workstream is to have a more co-ordinated programme of community events which will improve awareness of our services, increase community fundraising, deliver activities aimed at preventing loneliness and isolation as well as manage and build our volunteer network.



TRUSTEES' REPORT

Financial Review

(Including the Strategic Report)

OUR FINANCIAL PERFORMANCE

As a result of continuing challenges facing the industry, charitable organisations and wider economy, the Racing Welfare group saw net expenditure before gains and losses of £683k (2021- net income before gains and losses of £251k).

The group's investments saw losses in 2022 – impacted by the Ukraine conflict - with the portfolio reporting losses of £1,599k (2021 – gains of £1,958k) contributing to a net deficit including investment losses of £1,991k (2021 – net surplus including investment gains of £2,209k).

Our Income

The charities raised £3.0m (2021 - £3.5m) from fundraising activity, including income from grants. The majority of the decrease was a result of income from fundraising events where we start to favour a strategy of fewer, higher margin events which we will see the results of in 2023.

Fundraising achieved a return on fundraising of 82% (2021 – 82%).

Investments generated £0.2m (2021 - £0.2m) of income and £0.9m (2021 - £0.9m) was raised from housing rents.

Our Expenditure

Total expenditure increased with £4.2m (2021 - £3.7m) being spent on charitable activities, primarily welfare advice, grants and projects (including the Workforce Wellbeing Programme) £2.5m (2021 - £2.3m) and housing expenditure of £1.2m (2021 - £1m). The cost of fundraising remained steady at £0.7m (2021 – £0.8m).

Balance Sheet

The group saw an increase of debtors, a result of entitlement to grants that are yet to be received. Fair value losses on investments saw investments reduce from £16.5m to £14.9m.

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

TRUSTEES' REPORT

Financial Review continued

(Including the Strategic Report)

Managing our reserves continued

Racing Welfare adopts the Group reserves policy to hold general reserves equivalent to at least six months' forward expenditure, estimated at £1.5m (group: £1.5m). Free reserves of the charity are £12.0m (2021 £13.9m) and of the group are £12.9m (2021: £14.8m) as they include unrestricted investments of £12.6m (group: £13.1m) 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 and the group can survive any short-term unforeseen fall in income. The total reserves held at 31 December 2022 in the Charity was £16.2m (2021 - £18.5m), of which £2.4m was in restricted funds (2021 - £2.7m). The total reserves held at 31 December 2022 in the Group was £29.8m (2021 - £32.1m), of which £10.5m was in restricted funds and endowment funds (2021 - £11.0m).

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. We do however require our managers to be signatories to the United Nations Principles for Responsible Investment.

The FI&A Committee use total return % benchmarked against the FTSE All-Share Index as a key performance measure.

Total returns	2022	2021
Trojan Income Fund	(12.3)%	15.8%
Trojan Fund	(3.6)%	12.4%
Liontrust UK Equity Fund	(9.9)%	18.5%
FTSE All-share (benchmark)	(0.3)%	18.3%

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

(Including the Strategic Report)

Going concern

The trustees have considered whether there are any material uncertainties about the charity and group's ability to continue as a going concern. At the balance sheet date, the free reserves of the charity are £12.0m with £14.9m in equity investments (including those in restricted funds). The trustees continue to review all risks regularly.

The loss of core funding for the Workforce Wellbeing Programme is a big challenge for the charity. Dividend income is still below pre-pandemic 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 2023 along with a new strategy to attract major donors.

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. 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 this is an anticipated deficit for 2023. The Finance, Investment and Audit Committee has indicated its willingness to drawdown against the cumulative gains made since adopting a total returns policy to ensure services are maintained whilst additional funding is sought.

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.

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 charity's risk register and may score highly. However, 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:

TRUSTEES' REPORT

Financial Review continued

(Including the Strategic Report)

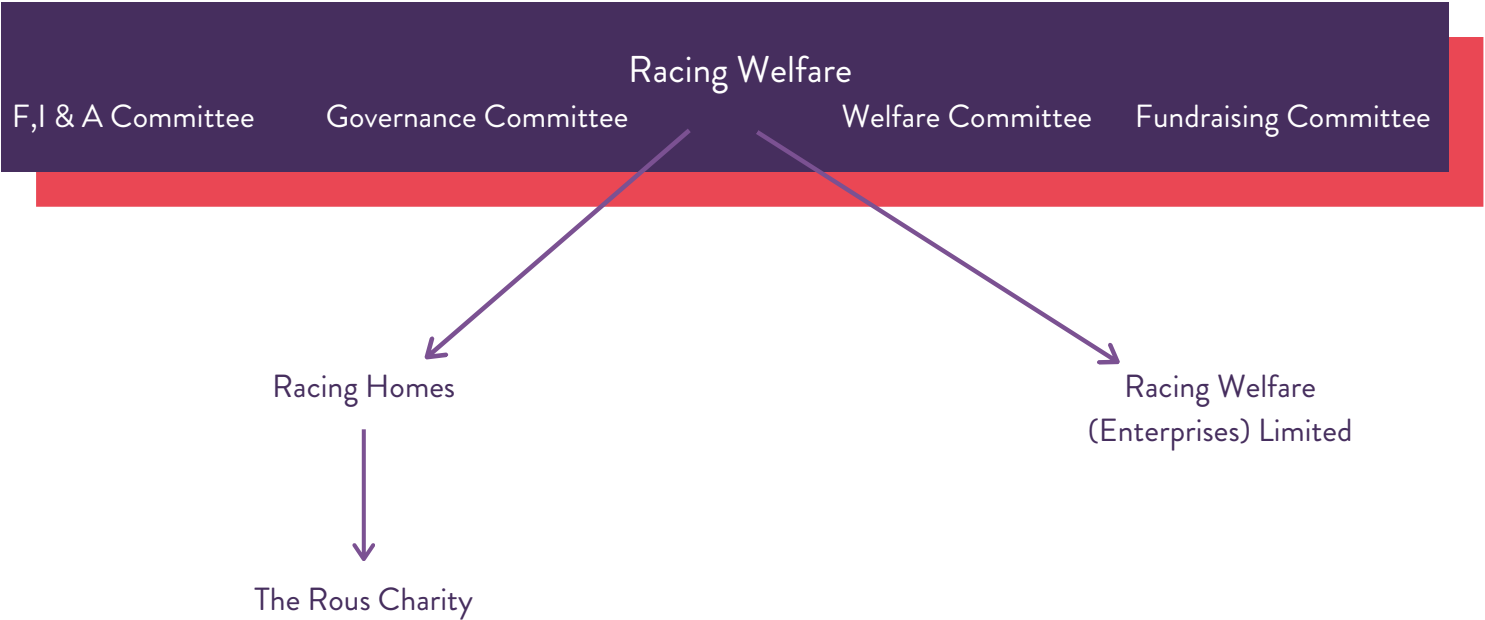
Principal Risks and Uncertainties (continued)

Risk Description	Risk Mitigation
Failure to protect vulnerable adults and young people This is included due to the inherent risk associated with dealing with vulnerable adults and young people	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.
Reliance on a small number of key funders This is included as core funding for key services has recently come to an end	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.
Failure to comply with GDPR This is included as the charity holds a significant amount of very sensitive data. Any breach would result in significant reputational damage	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.
Loss of key staff This is included due to the unique sets of experience and skills of our key employees, illustrated by the progress the charity has made under their guidance	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.
Breach of Health and Safety Regulations This is included due to potentially significant reputational damage and financial losses in the event of injury or death of a tenant, beneficiary, employee or volunteer	The charity sits within the Jockey Club's Health and Safety Management System. The Head of Housing holds H&S qualifications and all staff undertake comprehensive training on an annual basis with new staff undertaking this as part of their induction. Key staff are given responsibility for identifying and reporting H&S issues. Racing Homes Health & Safety compliance is managed by our experienced housing team. Group H&S is overseen by NEBOSH-qualified staff member. CEO and COO are IOSH qualified.
Service provision – customer satisfaction This is included due to the importance of having high quality services that are valued and easily accessible to all beneficiaries	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.

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)

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 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 comprises at least three trustees. The committee members have been selected on the basis of their particular interest and skills in the business of the respective committee. Each committee has been assigned specific terms of reference, with decisions on policy and strategy being referred to the main Board of Trustees for approval. During the year we welcomed five new committee members who brought 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 since then numerous improvements have been implemented as a result of the work generated by the new committee. The initial review of the charity's performance against the Charity Governance Code provided a score given for each of the seven principles and identified priorities in relation to improving diversity and inclusion, board effectiveness and improving the way in which we communicate our governance to the public. The impact of the work carried out by the committee and the executive has seen a significant increase in the diversity of thought on the various committees across the group, with five new committee members joining in the year.



TRUSTEES' REPORT

Governance and Structure continued

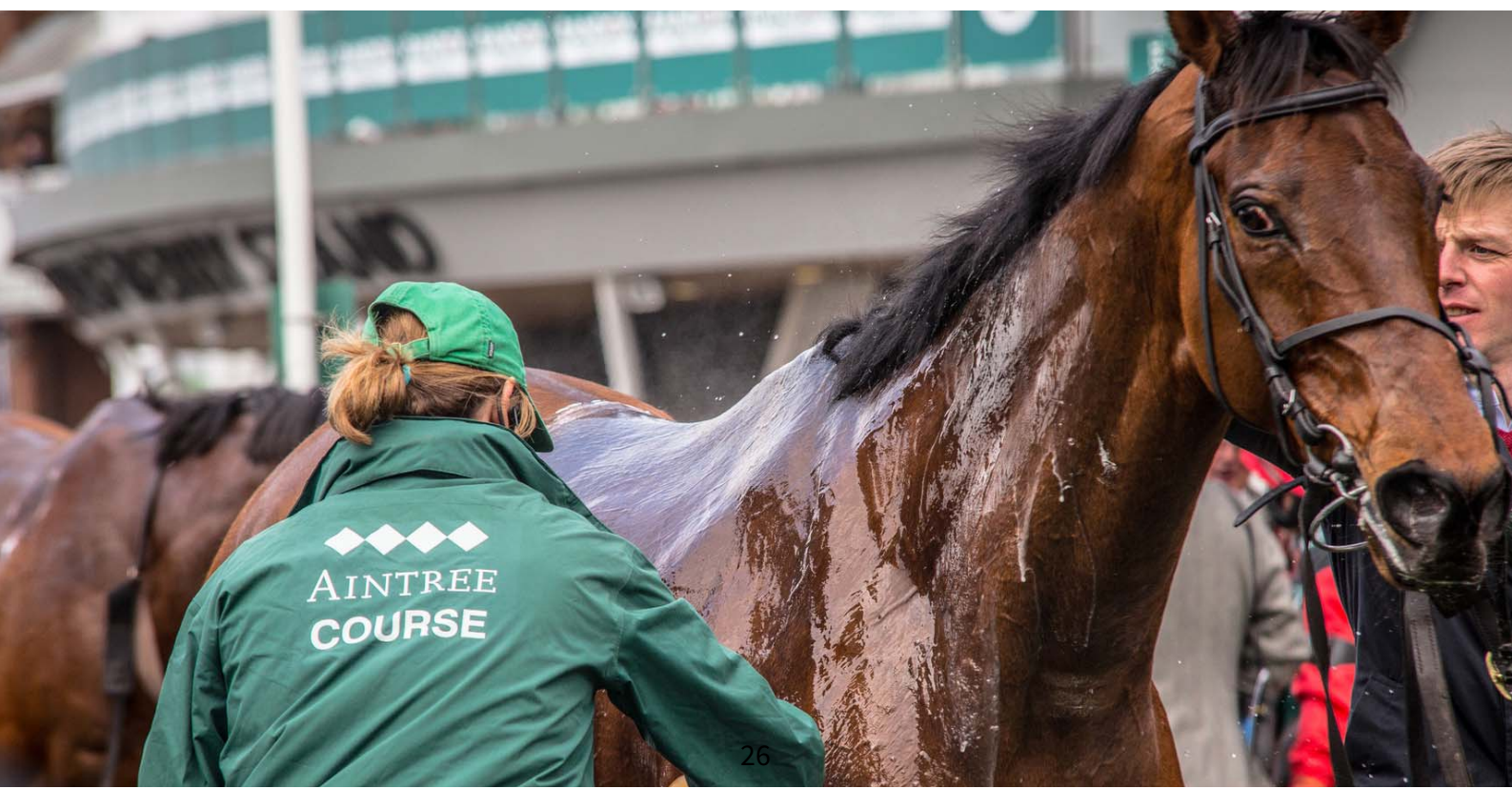
Governance (continued)

Improvements to our board effectiveness have been reviewed via our board member surveys and a trustee performance review process has been introduced.

Our trustee strategy days in 2022 were postponed to early 2023 and focused on the first stages agreeing our environmental commitment, the evaluation of our services and a revisit of our three-year strategy given the significant changes in the economic environment since it was developed.

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 and 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

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 2022 was 140 (2021 – 135). In 2022 these volunteers were involved in 7 different events (2021 – 8) and 20 volunteers were actively involved in the continued success of our telephone befriending service (2021 – 28).

Fundraising

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

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

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

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

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

Employment Practices and Pay

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

TRUSTEES' REPORT

Governance and Structure continued

The charity has adopted a salary review process, salary structure and remuneration packages which are internally consistent, 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 2022 the organisation repeated a staff satisfaction survey first undertaken in 2020. The results reported that: 92% of staff felt the work they were doing was worthwhile; 70% believed that Racing Welfare promotes and supports a positive wellbeing culture; 68% felt able to switch off from work and take time for rest and 79% felt encouraged, supported to learn, and developed to be able to do my best work. A further survey will be undertaken in 2023.

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 staff forums for a programme of training and strategy setting. Employee Health and Safety is maintained via use of the Jockey Club's Health and Safety online training programme, iHasco. This provides high quality training and efficient monitoring and relevant modules are mandatory for all staff.

Environmental

The Racing Welfare group is committed to improving its impact on the environment and is part way through developing a strategy and a commitment. Between 2021 and 2022 the focus was on delivering quick wins. We have a green champion that sits on the Jockey Club's Green Champion Board and the charities have made improvements in energy usage, waste disposal, travel-green initiatives to staff meetings, hybrid or electric company cars, paperless office, 95% of meetings held online and constant collation of energy data. In the last quarter of 2022, the group engaged with an external consultant to measure the group's carbon footprint and to give the board the information it needs to develop an appropriate commitment and subsequent strategy. Racing Homes has legislative demands, in particular around EPC ratings, that will affect the commitment it makes. It will also require significant investment in our properties. This has been a significant part of the large programme of works that has been developed by the housing team and will see Racing Homes invest over £1.5m in its existing portfolio over the next three years

The trustees will undertake a number of strategy days in 2023 with our external consultant, the outcome of which will be an announcement of our commitment and an outline strategy by the end of 2023.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of Racing Welfare for the purposes of company law) 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).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently; Observe the methods and principles in the Charities SORP 2019 (FRS 102); Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 Companies Act 2006. 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 website.

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

Price Bailey 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 15 September 2023 and signed on its behalf:



William Barlow, Chairman

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACING WELFARE FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 which comprise of the Group Statement of Financial Activities, the Consolidated and Parent Charitable Company 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2022, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor 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 group 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 and 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACING WELFARE FOR THE YEAR ENDED 31 DECEMBER 2022 - CONTINUED

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the group 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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have 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 parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report included within the trustees' report.

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

- Adequate and sufficient 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's 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.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACING WELFARE FOR THE YEAR ENDED 31 DECEMBER 2022 - CONTINUED

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 30, the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group 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.

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

We gained an understanding of the legal and regulatory framework applicable to the Charitable Group and the sector in which it operates and considered the risk of the Charitable Group not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements, including financial reporting, and tax legislation. In relation to the operations of the Charitable Group this included data protection, employment law and financial reporting.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACING WELFARE FOR THE YEAR ENDED 31 DECEMBER 2022 - CONTINUED

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- Management override: We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.
- Reviewing minutes of Trustee Board meetings, minutes of Finance, Investment & Audit Committee meetings and correspondence with the Charity Commission, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management including those responsible for the key regulations and a review of the risk management processes and procedures in place. We have also reviewed the procedures in place for the reporting of any incidents to the Trustee Board including serious incident reporting of these matters as necessary with the Charity Commission.
- Assessing management bias in relation to the accounting policies adopted and in determining significant accounting estimates, including treatment of legacies and grant income, and the valuation of investments.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)

For and on behalf of Price Bailey LLP

Chartered Accountants

Statutory Auditors

Tennyson House

Cambridge

CB4 0WZ

Date: 19 September 2023

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income & expenditure account)

YEAR ENDED 31 DECEMBER 2022

	Note	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Endowment funds 2022 £'000	Total funds 2022 £'000	Total funds 2021 £'000
(Note 24)						
INCOME FROM:						
Donations and legacies	2	849	1,425		2,274	2,574
Charitable activities		960	-	-	960	905
Other trading activities:						
Fundraising events		732	40	-	772	960
Investments	3	259	-	-	259	226
Other income		4	-	-	4	4
TOTAL INCOME		2,804	1,465	-	4,269	4,669
EXPENDITURE ON:						
Raising funds		735	-	-	735	762
Charitable activities		2,459	1,739	19	4,217	3,656
TOTAL EXPENDITURE	4	3,194	1,739	19	4,952	4,418
NET (EXPENDITURE)/INCOME BEFORE GAINS AND LOSSES ON INVESTMENTS		(390)	(274)	(19)	(683)	251
Net (losses)/gains on investments	10	(1,386)	(213)	-	(1,599)	1,958
NET (EXPENDITURE)/INCOME FOR THE YEAR		(1,776)	(487)	(19)	(2,282)	2,209
Transfers between funds		(34)	34	-	-	-
NET MOVEMENTS IN FUNDS		(1,810)	(453)	(19)	(2,282)	2,209
Reconciliation of funds:						
Balances brought forward		21,062	10,146	849	32,057	29,848
Balances carried forward		19,252	9,693	830	29,775	32,057

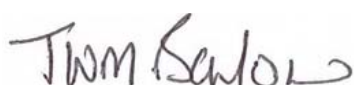
CONSOLIDATED AND CHARITY STATEMENT OF FINANCIAL POSITION

YEAR ENDED 31 DECEMBER 2022

	Note	Group £'000	2022 Charity £'000	Group £'000	2021 Charity £'000
FIXED ASSETS					
Intangible fixed assets	8	159	-	160	-
Tangible fixed assets	9	15,343	1,772	15,522	1,720
Investments:					
Investments	10	14,932	14,545	16,531	16,100
Programme related investments	11	60	60	59	59
		<u>30,494</u>	<u>16,377</u>	<u>32,272</u>	<u>17,879</u>
CURRENT ASSETS					
Debtors	12	964	739	961	915
Cash at bank and in hand		<u>974</u>	<u>203</u>	<u>1,162</u>	<u>222</u>
		1,938	942	2,123	1,137
LIABILITIES					
CREDITORS: amounts falling due within one year	13	(1,005)	(1,091)	(645)	(550)
NET CURRENT ASSETS		<u>933</u>	<u>(149)</u>	<u>1,478</u>	<u>587</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		31,427	16,228	33,750	18,466
CREDITORS: amounts falling due after more than one year	14	(1,652)	-	(1,693)	-
NET ASSETS		<u>29,775</u>	<u>16,228</u>	<u>32,057</u>	<u>18,466</u>
THE FUNDS OF THE CHARITY:					
Unrestricted funds:					
General fund		1,538	882	2,112	1,329
Designated funds:					
Other designated funds		17,714	12,951	18,950	14,413
Total unrestricted funds		<u>19,252</u>	<u>13,833</u>	<u>21,062</u>	<u>15,742</u>
Restricted funds:					
Other restricted funds		9,693	2,395	10,146	2,724
Total restricted funds		<u>9,693</u>	<u>2,395</u>	<u>10,146</u>	<u>2,724</u>
Endowment funds		830	-	849	-
TOTAL FUNDS	15/16	<u>29,775</u>	<u>16,228</u>	<u>32,057</u>	<u>18,466</u>

A separate SOFA has not been presented for the Charity as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The charity reported net expenditure before investment gains and losses of £682k (2021: net income of £2,105k), with investment losses of £1,554k (2021: gains of £1,695k). This includes gains of £nil (2021: £2,071) on the transfer of investments from a group charity.

The financial statements on pages 35 to 62 of Racing Welfare, were approved by the Board of Trustees and authorised for issue on 15 September 2023 and signed on its behalf by



J W M Barlow (Chairman)

RACING WELFARE**(A company limited by guarantee)****CONSOLIDATED STATEMENT OF CASH FLOWS****YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £'000	2021 £'000
Cash (used)/provided by operating activities	18	<u>(45)</u>	<u>204</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(102)</u>	<u>(188)</u>
Net cash used in investing activities		<u>(102)</u>	<u>(188)</u>
Cash flows from financing activities			
Repayment of loans		(41)	(40)
Net (decrease) / increase in cash and cash equivalents		<u>(188)</u>	<u>(24)</u>
Cash and cash equivalents at 1 January	18	1,162	1,186
Cash and cash equivalents at 31 December	18	<u>974</u>	<u>1,162</u>

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. The financial statements are presented in sterling, which is the functional currency of the charity and rounded to the nearest £1,000.

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

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. Legacies are recognised, following the granting of probate, at the earlier of actual receipt or on receipt of notification which confirm the charity's entitlement to receive the gifts, the probability of receipt and provide an accurate measure of the legacy. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity.

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.

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.

1.ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

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 held in The Rous Charity 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 and Depreciation

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.

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

	2022 £'000	2021 £'000
Donations	440	377
Legacies	39	330
Grants	1,795	1,867
	<u>2,274</u>	<u>2,574</u>

Restricted donations amounted to £80k (2021: £86k). Restricted grants amount to £1,345k (2021: £1,558k). All legacy income was unrestricted in both 2022 and 2021.

3. INVESTMENT INCOME

	2022 £'000	2021 £'000
Interest receivable	2	1
Dividends received from investment and unit trusts	257	225
	<u>259</u>	<u>226</u>

4. TOTAL EXPENDITURE

	Activities undertaken directly 2022 £'000	Grant funding of activities 2022 £'000	Support costs 2022 £'000	Total 2022 £'000
Cost of raising funds				
Fundraising	124	-	80	204
Fundraising events:	452	-	80	532
	576	-	159	735
Charitable activities				
Advice and Guidance	513	70	257	840
Financial assistance	13	245	-	258
Welfare Projects	1,183	-	254	1,437
Healthy living & well-being	98	81	-	179
Community	46	-	-	46
Housing	1,126	-	130	1,256
Communications and Advocacy	140	-	61	201
	3,119	396	702	4,217
TOTAL EXPENDITURE	3,695	396	861	4,952

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

Included within support costs are audit fees of £16,650, of which £9,900 relate to the charity (2021: £16,150; £9,650 relate to the charity).

4. TOTAL EXPENDITURE CONTINUED

Grant funding of activities is analysed as follows:

	Grants to individuals 2022 £'000	Grants to institutions 2022 £'000	Total 2022 £'000
Advice & guidance	-	70	70
Financial assistance	245	-	245
Healthy living and well-being	-	81	81
	<u>245</u>	<u>151</u>	<u>396</u>
	Grants to individuals 2021 £'000	Grants to institutions 2021 £'000	Total 2021 £'000
Advice & guidance	-	69	69
Financial assistance	227	-	227
Healthy living and well-being	-	81	81
	<u>227</u>	<u>150</u>	<u>377</u>
		2022 £'000	2021 £'000
Payments to individuals		245	227
Racing Centre		44	44
Life Skills		37	37
Sports Chaplaincy UK		70	69
		<u>396</u>	<u>377</u>

Grants were awarded to 425 individuals in 2022 (2021: 399).

Support costs allocation	Human Resources 2022 £'000	Admin Costs 2022 £'000	Premises Costs 2022 £'000	IT Costs 2022 £'000	Governance Costs 2022 £'000	Total 2022 £'000
Cost of raising funds						
Cost of fundraising, fundraising events and trading	96	29	13	3	18	159
Charitable activities						
Advice & guidance	159	46	20	4	28	257
Welfare Projects	175	52	22	5	-	254
Housing	73	21	9	2	25	130
Communications and advocacy	37	11	5	1	7	61
TOTAL SUPPORT COSTS	<u>540</u>	<u>159</u>	<u>69</u>	<u>15</u>	<u>78</u>	<u>861</u>

RACING WELFARE
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2022

Support costs allocation	Human Resources	Admin Costs	Premises Costs	IT Costs	Governance Costs	Total
	2021	2021	2021	2021	2021	2021
	£'000	£'000	£'000	£'000	£'000	£'000
Cost of raising funds						
Cost of fundraising, fundraising events and trading	75	23	8	2	20	128
Charitable activities						
Advice & guidance	140	42	15	4	36	237
Welfare Projects	181	54	20	6	-	261
Housing	54	16	6	2	34	112
Communications and advocacy	21	6	2	1	6	36
TOTAL SUPPORT COSTS	471	141	51	15	96	774

Support costs are allocated on the basis of the number of staff working directly on charitable activities and cost of raising funds.

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 (2021: £nil) and £500 (2021: £nil) of donations were received from trustees.

6. STAFF COSTS

	2022	2021
	£'000	£'000
Wages and salaries	1,753	1,561
Social security costs	181	153
Pension costs	173	147
	2,107	1,861

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

	2022	2021
£60,000 - £70,000	1	1
£100,000 - £110,000	1	1
£110,000 - £120,000	1	-
£120,000 - £130,000	-	1

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

	2022	2021
	No	No
Charitable activities	42	37
Fundraising	7	7
Management and administration of the Charity	8	8
	57	52

During the year remuneration received by key management personnel totalled £369k (2021: £317k).

Key management personnel are the Chief Executive, Chief Operating Officer, Director of Welfare, Director of Housing and Finance and Operations Director.

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 £173k (2021 - £146k). At the year end the amount due in creditors in respect of pension contributions was £22k (2021 - £13k).

8. INTANGIBLE FIXED ASSETS

Group	Nomination Rights £'000
Cost	
At 1 January 2022 and at 31 December 2022	<u>198</u>
Amortisation	
At 1 January 2022	38
Charge for the year	<u>1</u>
At 31 December 2022	<u>39</u>
Net book value	
At 31 December 2022	<u>159</u>
At 31 December 2021	<u>160</u>

9. TANGIBLE FIXED ASSETS

Group	Assets under development	Freehold land and buildings £'000	Leasehold buildings £'000	Equipment and motor vehicles £'000	Total £'000
Cost or deemed cost					
At 1 January 2022	19	15,697	341	1,411	17,468
Additions	16	65	-	92	173
Transfers	-	(7)	-	7	-
Disposals	-	-	-	-	-
At 31 December 2022	<u>35</u>	<u>15,755</u>	<u>341</u>	<u>1,510</u>	<u>17,641</u>
Depreciation					
At 1 January 2022	-	1,407	62	477	1,946
Charge for the year	-	228	8	116	352
Disposals	-	-	-	-	-
At 31 December 2022	<u>-</u>	<u>1,635</u>	<u>70</u>	<u>593</u>	<u>2,298</u>
Net book value					
At 31 December 2022	<u>35</u>	<u>14,120</u>	<u>271</u>	<u>917</u>	<u>15,343</u>
At 31 December 2021	<u>19</u>	<u>14,290</u>	<u>279</u>	<u>934</u>	<u>15,522</u>

9. TANGIBLE FIXED ASSETS (CONTINUED)

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

The net book value of long leasehold land and buildings at the balance sheet date was £271k (2021: £279k).

Charity	Freehold land and buildings £'000	Equipment and motor vehicles £'000	Total £'000
Cost or deemed cost			
At 1 January 2022	1,719	314	2,033
Additions	65	35	100
Disposals	-	-	-
At 31 December 2022	1,784	349	2,133
Depreciation			
At 1 January 2022	77	236	313
Charge for the year	13	35	48
Disposals	-	-	-
At 31 December 2022	90	271	361
Net book value			
At 31 December 2022	1,694	78	1,772
At 31 December 2021	1,642	78	1,720

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 £483k (2021: £433k) that is not depreciated.

Historic cost	2022 £'000	2021 £'000
Group		
Gross cost	14,756	14,620
Accumulated depreciation on historic cost	(3,056)	(2,828)
	11,700	11,792
Charity		
Gross cost	1,784	1,719
Accumulated depreciation on historic cost	(90)	(77)
	1,694	1,642

10. INVESTMENTS HELD AS FIXED ASSETS

	Group 2022 £'000	Charity 2022 £'000	Group 2021 £'000	Charity 2021 £'000
Listed securities:				
Market value at 1 January	16,516	16,086	14,558	12,320
Transfer from BBR Charity	-	-	-	2,071
Net investment (losses)/gains	(1,599)	(1,555)	1,958	1,695
Market value at 31 December	14,917	14,531	16,516	16,086
Historic cost at 31 December	12,772	10,917	12,772	10,917
Listed investments are represented by:				
Trojan Income Fund (S Income)	5,280	5,061	7,436	5,924
Trojan Fund (S Income)	6,252	6,084	5,789	6,323
Liontrust UK Equity Fund X Income Shares	3,385	3,385	3,291	3,838
	14,917	14,530	16,516	16,085
Trophies	15	15	15	15
	14,932	14,545	16,531	16,100

Investments in subsidiaries:

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

- Racing Welfare (Enterprises) Limited (company number 02948569)

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

Racing Homes (a charitable company limited by guarantee) and The Rous Charity (a registered charity) are subsidiaries of Racing Welfare

11. PROGRAMME RELATED INVESTMENTS

	Group 2022 £'000	Charity 2022 £'000	Group 2021 £'000	Charity 2021 £'000
At 1 January 2022	59	59	57	57
Interest charged	1	1	1	1
At 31 December 2022	60	60	59	59

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.

12. DEBTORS: Due within one year

	Group 2022 £'000	Charity 2022 £'000	Group 2021 £'000	Charity 2021 £'000
Trade debtors	78	54	101	74
Sundry debtors	22	-	12	1
Due from group charities	-	1	-	-
Due from connected charities	55	55	55	55
Prepayments and accrued income	787	607	771	763
	942	717	939	893
Sundry debtors due after more than one year	22	22	22	22
	964	739	961	915

Sundry debtors due after more than one year consist of secured loans of £22k (2021: £22k). These loans, made for charitable purposes, are secured by legal charges over property.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	432	263	234	176
Taxation and social security costs	60	51	55	53
Sundry creditors	52	51	13	11
Accruals and deferred income	406	265	289	97
Pension contributions	15	13	14	13
Due to group charities	-	448	-	200
Mortgages for housing due within 1 year	40	-	40	-
	1,005	1,091	645	550

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

Mortgage on Jack Jarvis Close	92	-	93	-
Loan on Summerhill House	1,560	-	1,600	-
	1,652	-	1,693	-
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	124	-	122	-
After five years	1,487	-	1,530	-
	1,692	-	1,733	-

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

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.

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YEAR ENDED 31 DECEMBER 2022

15.STATEMENT OF FUNDS

GROUP	At 1					At 31
	January	Income	Expenditure	Gains /	Transfers	December
	2022	£'000	£'000	(losses)	£'000	2022
	£'000	£'000	£'000	£'000	£'000	£'000
General reserve	2,112	2,804	(2,908)	(44)	(426)	1,538
Designated funds:						
Income fund	12,634	-	-	(1,342)	-	11,292
Fixed asset fund	4,069	-	(229)	-	263	4,103
Fixed asset revaluation reserve	2,161	-	(28)	-	-	2,133
Repairs and maintenance fund	46	-	(29)	-	129	146
Extraordinary repairs fund	40	-	-	-	-	40
Total unrestricted funds	21,062	2,804	(3,194)	(1,386)	(34)	19,252
Restricted funds						
Mental Health & Addiction support	2	258	(260)	-	-	-
Chaplaincy	-	10	(10)	-	-	-
Racing Support Line	7	229	(236)	-	-	-
Middleham	850	-	-	-	-	850
CATS	35	215	(245)	-	-	5
Beneficiaries holiday fund	50	50	(50)	-	-	50
YP Housing in Newmarket	77	-	(8)	-	-	69
IMO Tim Jones MHFA	7	2	(7)	-	-	2
Occupational Health Wellbeing Programme Management	58	390	(448)	-	-	-
Epsom Racing Staff Welfare	32	40	(40)	-	-	32
Life Skills for the Young	-	34	(34)	-	-	-
Mental Health Industry Lead	-	6	(6)	-	-	-
JPF targeted grants	-	134	(134)	-	-	-
Christmas Events	12	-	(12)	-	-	-
Welfare Support Officer Newmarket	-	27	(27)	-	-	-
Malton Office	-	1	(1)	-	-	-
Rank Foundation	-	20	(20)	-	-	-
Beneficiaries in Berkshire	2	-	(2)	-	-	-
Eldery in Yorkshire	2	2	(4)	-	-	-
BBR assets fund	2,089	-	-	(213)	-	1,876
Housing for racing people	6,540	-	(148)	-	37	6,429
HfRP Revaluation Reserve	383	-	-	-	(3)	380
Total restricted fund	10,146	1,465	(1,739)	(213)	34	9,693
Endowment Funds						
Housing for racing people	849	-	(19)	-	-	830
	849	-	(19)	-	-	830
Total funds	32,057	4,269	(4,952)	(1,599)	-	29,775

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

15.STATEMENT OF FUNDS: CONTINUED

GROUP	At 1		Investment			At 31
	January	Income	Expenditure	gains /	Transfers	December
	2021 £'000	£'000	£'000	losses £'000	£'000	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	3,800	-	(218)	-	487	4,069
Fixed asset revaluation reserve	2,189	-	(28)	-	-	2,161
Housing development fund	186	-	-	-	(186)	-
Repairs and maintenance fund	-	-	(37)	-	83	46
Extraordinary repairs fund	40	-	-	-	-	40
Total unrestricted funds	18,910	2,946	(2,665)	1,724	147	21,062
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 Time Jones MHFA	6	4	(3)	-	-	7
Occupational Health	81	528	(551)	-	-	58
Wellbeing Programme	-	62	(62)	-	-	-
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
Elderly 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	6,821	-	(149)	-	(132)	6,540
HfRP Revaluation Reserve	386	-	-	-	(3)	383
Total restricted fund	8,215	1,723	(1,734)	18	1,924	10,146
Endowment Funds						
Housing for racing people	868	-	(19)	-	-	849
Betinck and Beresford	1,855	-	-	216	(2,071)	-
	2,723	-	(19)	216	(2,071)	849
Total funds	29,848	4,669	(4,418)	1,958	-	32,057

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

15.STATEMENT OF FUNDS: CONTINUED

CHARITY	At 1			At 31		
	January	Income	Expenditure	Gains /	Transfers	December
	2022 £'000	£'000	£'000	losses £'000	£'000	2022 £'000
General reserve	1,329	1,741	(2,087)	-	(101)	882
Designated funds:						
Income fund	12,634	-	(173)	(1,342)	-	11,119
Fixed asset fund	1,779	-	(48)		101	1,832
Housing development fund	-	-	-	-	-	-
Total unrestricted funds	15,742	1,741	(2,308)	(1,342)	-	13,833
Restricted funds						
Mental Health & Addiction support	2	258	(260)	-	-	-
Racing Support Line	7	229	(236)	-	-	-
CATS	35	215	(245)	-	-	5
Occupational Health	58	390	(448)	-	-	-
WWP Programme Management	-	47	(47)	-	-	-
Workforce Wellbeing Programme	-	44	(44)	-	-	-
Chaplaincy	-	10	(10)	-	-	-
Beneficiaries holiday fund	50	50	(50)	-	-	50
YP Housing in Newmarket	77	-	(8)	-	-	69
IMO Tim Jones MHFA	7	2	(7)	-	-	2
Middleham	350	-	-	-	-	350
Epsom Racing Staff Welfare	32	40	(40)	-	-	32
Life Skills for the Young	-	34	(34)	-	-	-
Welfare Support Officer	-	27	(27)	-	-	-
Newmarket	-	6	(6)	-	-	-
Mental Health Industry Lead	-	134	(134)	-	-	-
JPF targeted grants fund	-	-	(12)	-	-	-
Christmas events	12	-	(12)	-	-	-
Malton Office	-	1	(1)	-	-	-
Lambourn Office	-	1	(1)	-	-	-
Working Staff in Lambourn	-	1	(1)	-	-	-
Welfare Officer North West	-	20	(10)	-	-	10
Beneficiaries in Berkshire	2	-	(2)	-	-	-
Eldery in Yorkshire	2	2	(4)	-	-	-
Day Trips and Outings for the Eldery	-	20	(20)	-	-	-
WWP Marketing Fund	-	16	(16)	-	-	-
Replacement household items	-	5	(5)	-	-	-
BBR assets fund	2,090	-	-	(213)	-	1,877
	2,724	1,552	(1,668)	(213)	-	2,395
Total funds	18,466	3,293	(3,976)	(1,555)	-	16,228

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15.STATEMENT OF FUNDS: CONTINUED

CHARITY	Investment					At 31 December 2021 £'000
	At 1 January 2021 £'000	Income £'000	Expenditure £'000	gains / losses £'000	Transfers £'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)	-	-	-
Total unrestricted funds	14,158	2,012	(2,116)	1,676	12	15,742
Restricted funds						
Mental Health & Addiction support	15	322	(335)	-	-	2
Chaplaincy	-	19	(19)	-	-	-
Racing Support Line	-	91	(72)	-	(12)	7
Qatar Racing	-	-	-	-	-	-
Database	-	-	-	-	-	-
Middleham	290	60	-	-	-	350
CATS	35	235	(235)	-	-	35
Beneficiaries holiday fund	50	50	-	-	(50)	50
YP Housing in Newmarket	30	47	-	-	-	77
IMO Collections	-	-	-	-	-	-
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
Elderly 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
Total funds	14,666	5,806	(3,701)	1,695	-	18,466

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.

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.

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.

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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.

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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.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Endowment & Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total Funds 2022 £'000
Fixed assets	9,515	19,220	1,759	30,494
Net current assets	1,008	46	(121)	933
Long-term liabilities	-	(1,652)	-	(1,652)
	<u>10,523</u>	<u>17,614</u>	<u>1,638</u>	<u>29,775</u>
CHARITY				
Fixed assets	1,877	12,951	1,549	16,377
Net current assets	518	-	(667)	(149)
Long-term liabilities	-	-	-	-
	<u>2,395</u>	<u>12,951</u>	<u>882</u>	<u>16,228</u>

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>

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.

	Racing Welfare (Enterprises) Limited		Racing Homes	
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.	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Income	-	-	1,118	1,111
Expenditure	-	-	(1,102)	(898)
Investment gains	-	-	-	-
Net profit	-	-	16	213
Fixed assets	-	-	13,153	13,364
Current assets	5	5	1,241	997
Liabilities	-	-	(2,001)	(1,983)
Net assets	5	5	12,393	12,378
Funds/capital and reserves:				
Unrestricted funds	5	5	4,703	4,671
Restricted funds	-	-	7,704	7,707
	5	5	12,407	12,378

	The Rous Charity		The Bentinck, Beresford and Rendlesham Charity	
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.	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Total income	68	68	-	15
Total expenditure on charitable activities	(85)	(63)	-	(15)
Investment (losses)/gains	(44)	48	-	215
Net movement in funds	(61)	53	-	215
Fixed assets	1,216	1,280	-	-
Current assets	211	208	-	-
Liabilities	(30)	(30)	-	-
Net assets	1,397	1,458	-	-
Funds/capital and reserves:				
Unrestricted funds	569	609	-	-
Endowment funds	828	849	-	-
	1,397	1,458	-	-

18. CASH FLOW INFORMATION

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

	2022 £'000	2021 £'000
Net income / (expenditure) for the year	(2,282)	2,209
(Gains) / losses on investments	1,599	(1,958)
Depreciation and amortisation	353	345
(Increase) in debtors	(3)	(283)
Increase in creditors	288	(109)
Net cash inflow from operating activities	(45)	204

b) Analysis of net debt

	At 1 January 2022 £'000	Cash flow £'000	Non- cash flows £'000	At 31 December 2022 £'000
Bank	1,162	(188)	-	974
Bank loans	(1,733)	41	-	(1,692)
	(571)	(147)	-	(718)
Borrowings				
Debt due within one year	(40)	41	(41)	(40)
Debt due after one year	(1,693)	-	41	(1,652)
	(1,733)	41	-	(1,692)

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 £444k 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.

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.

RACING WELFARE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

20. OPERATING LEASE COMMITMENTS

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

Leases which expire:	2022	Group 2021	Charity 2022	Charity 2021
	£'000	£'000	£'000	£'000
Within one year	48	51	40	42
Within two - five years	41	66	36	53
More than five years	1	-	1	-

During the year £52k (2021: £40k) 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.

	2022 £'000	2021 £'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 £208k (2021: £240k).

Racing Welfare also received grants from the Bentinck, Beresford & Rendlesham Charity (BBR) of £nil (2021: £19k) in relation to financial support in line with the charity's objectives. During 2021 the assets of BBR were transferred to Racing Welfare in their entirety

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 £88k (2021: £86k). The value to the Charity is £61k (2021: £56k).

Jockey Club Estates Limited (JCE), a Jockey Club group company, provided maintenance and repairs services to Racing Homes during the year. Payments made to JCE in the year amounted to £191k (2021: £236k).

RACING WELFARE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

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.

	2022 £'000	2021 £'000
Racing Welfare (Enterprises) Limited	(5)	(5)
Racing Homes	(443)	(195)
The Rous Charity	1	-
The Jockey Club	(86)	(51)
Jockey Club Estates	<u>(135)</u>	<u>(36)</u>

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. FINANCIAL INSTRUMENTS

	Group £'000 £	2022 Charity £'000 £	Group £'000 £	2021 Charity £'000 £
Financial assets: Equity instruments measured at fair value	14,917	14,531	16,516	16,086

RACING WELFARE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

24. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR YEAR ENDED 31st DECEMBER 2021

	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Endowment funds 2021 £'000	Total funds 2021 £'000
INCOME FROM:				
Donations and legacies	930	1,644	-	2,574
Charitable activities	905	-	-	905
Other trading activities: Fundraising trading	881	79	-	960
Investments	226	-	-	226
Other income	4	-	-	4
TOTAL INCOME	2,946	1,723	-	4,669
EXPENDITURE ON:				
Raising funds	762	-	-	762
Charitable activities	1,903	1,734	19	3,656
TOTAL EXPENDITURE	2,665	1,734	19	4,418
NET (EXPENDITURE) FOR THE YEAR	281	(11)	(19)	251
Net gains/(losses) on investments	1,742	-	216	1,958
NET INCOME FOR THE YEAR	2,023	(11)	197	2,209
Transfers between funds	147	1,924	(2,071)	-
NET MOVEMENTS IN FUNDS	2,170	1,913	(1,874)	2,209
Balance brought forward	18,910	8,215	2,723	29,848
Balances carried forward	21,080	10,128	849	32,057