



RACING WELFARE

Report and Financial Statements

31 December 2023

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:

Sir William Barlow – Chairman

Colonel Toby Browne

Olivia Broderick

Lady Celina Carter

Jonathan Eddis

Richard Farquhar

Morag Gray (Retired June 2023)

Simon Hope

Patrick Russell (Retired June 2023)

Nick McLeod-Clarke

Rod Street

Paul Swain (Appointed June 2023)

Venetia Wrigley

KEY MANAGEMENT:

Chief Executive Officer - Dawn Goodfellow

Chief Operating Officer - Gemma Waterhouse

Director of Welfare Programmes - Ryan Trueman

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, Sir William Barlow, reflects on 2024

2024 marks my ninth year as a trustee at Racing Welfare and my fifth year as Chairman, and as such I have completed the maximum tenure. In June I will hand over the reins to the new Chairman, Nick Bannister. It has been a pleasure to be part of the wonderful team of trustees and committee members, and to work closely with the executive team during this time.

Over the last nine years the Charity has transformed from a traditional benevolent fund, providing financial assistance to those in need, to a multi-service provider delivering holistic support to over 20% of the workforce each year. The charity still provides essential crisis support to those in need. In the moment counselling is provided via Racing's Support Line and the team of front-line Welfare Officers, across the country, deliver face to face crisis support as well as facilitating emergency financial assistance grants and homelessness support. The major change to the charity over the last nine years is in the development of our preventative support services. We know that when someone presents in crisis, it is rarely due to one issue, but more often a combination of many, compounded over time, which have led to a downward spiral. Many of those issues could have been prevented with early detection and relevant support. Our suite of preventative services is an effective way of stopping people reaching crisis, which paves the way for a better outcome for the individual which of course impacts their colleagues, employers and family.

The Workforce Wellbeing Programme provides Occupational Health support for both physical and mental issues that are preventing people from thriving in the workplace, our Mental Health Service supports those experiencing any kind of mental ill health and our Careers Advice and Training Service provided advice, guidance, and funding for those looking to develop their career in the industry. This programme was developed in 2019 with the financial support of the Racing Foundation and makes up the bulk of our preventative work. It is the only programme directly impacting the health of those working in the industry which in turn improves retention and time off work due to sickness. 2023 was the second year in which this programme has come under threat due to lack of funding and the third year in which Racing Welfare has used reserves to ensure the programme continues to support the 800-1,000 people utilising these services each year. Deficit funding by the charity is not a long term solution, and if the industry cannot find a way to fund this essential preventative work the Charity will be forced to close the programme. This explains why we have seen the closure of the Careers Advice and Training Service, why we see the charity publish another significant loss in 2023 and why the trustees have signed off a budget for 2024 which will also have a negative impact on our reserves. The trustees have committed to protecting the Workforce Wellbeing Programme for as long as possible without significantly impacting the long-term financial viability of the Charity. 2024 is the tipping point. We look forward to the Industry People Board delivering the Industry People Strategy in June and hope to see a long-term funding solution for a Workforce Wellbeing Programme.

Essential to providing both the crisis and preventative work is our fundraising income. We continue to be reliant on the generosity of our existing and new supporters and we are hugely grateful to each and every one, from those providing substantial donations through trusts and foundations to those who take part in a challenge event and nominate Racing Welfare as their charity. During my nine years with the charity we have raised over £17m in voluntary income which has helped support over 10,000 beneficiaries.

The charity has ambitious plans for the next five years. I know that the wonderful team we have and the new, diverse board of trustees and committee members, will achieve great things for the people working in our wonderful industry.



Sir William Barlow
Chair

TRUSTEES' REPORT

Objectives and Activities

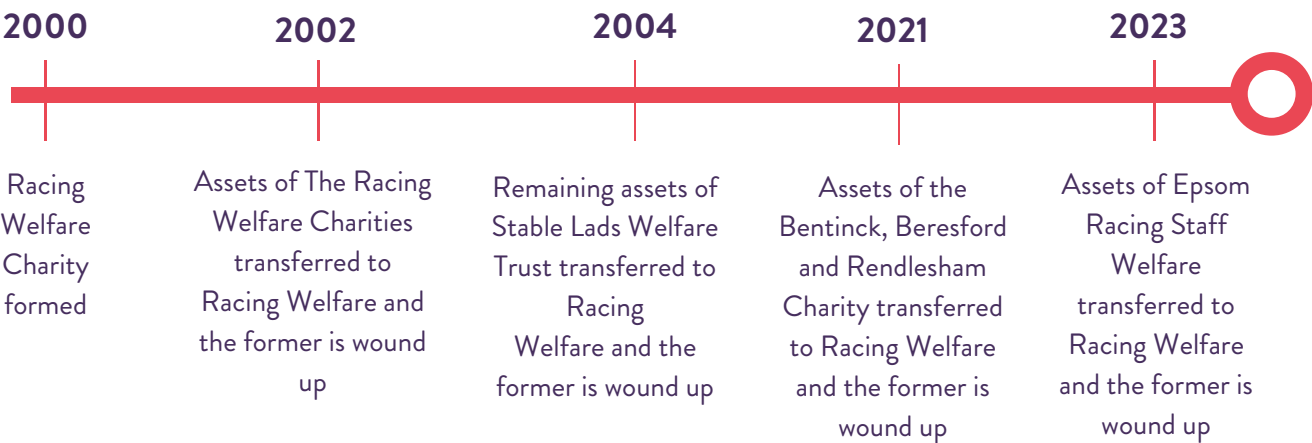
(Including the Strategic Report)

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 2023 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 (reduced in 2023 due to funding)
 - 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 Racing Welfare has continued to face challenges. Income from our ordinary activities decreased by £346k to £3,923k (2022: £4,269k). A one-off transfer of restricted assets from Epsom Racing Staff Welfare of £1,108k (2022: £nil), comprised of properties valued at £850k and cash of £258k, saw total income increase to £5,031k. We also saw increased spend across housing and reduced spend across welfare and financial assistance. The result is a £329k deficit in the year (2022: £683k deficit) before investment gains and losses.

In 2023 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 continue to fund the 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 tied up in income generating investments or 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 improvements in all areas of compliance.

Expenditure on welfare projects decreased due to a reduction in staff numbers and continued drive for efficiencies. Expenditure on the Community Engagement Programme increased as we received the support of the John Pearce Foundation to grow that area of our service more strategically.

Our future funding model continues to be the biggest challenge facing the charity. Over 40% (2022: 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 employers and employees have had free access to the service. In the past three years more than 2,500 people have accessed support via the programme, which represents over 12% 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 yet been achieved and, in our view, the responsibility for the funding should sit with the industry.



TRUSTEES' REPORT

Achievements and Performance continued

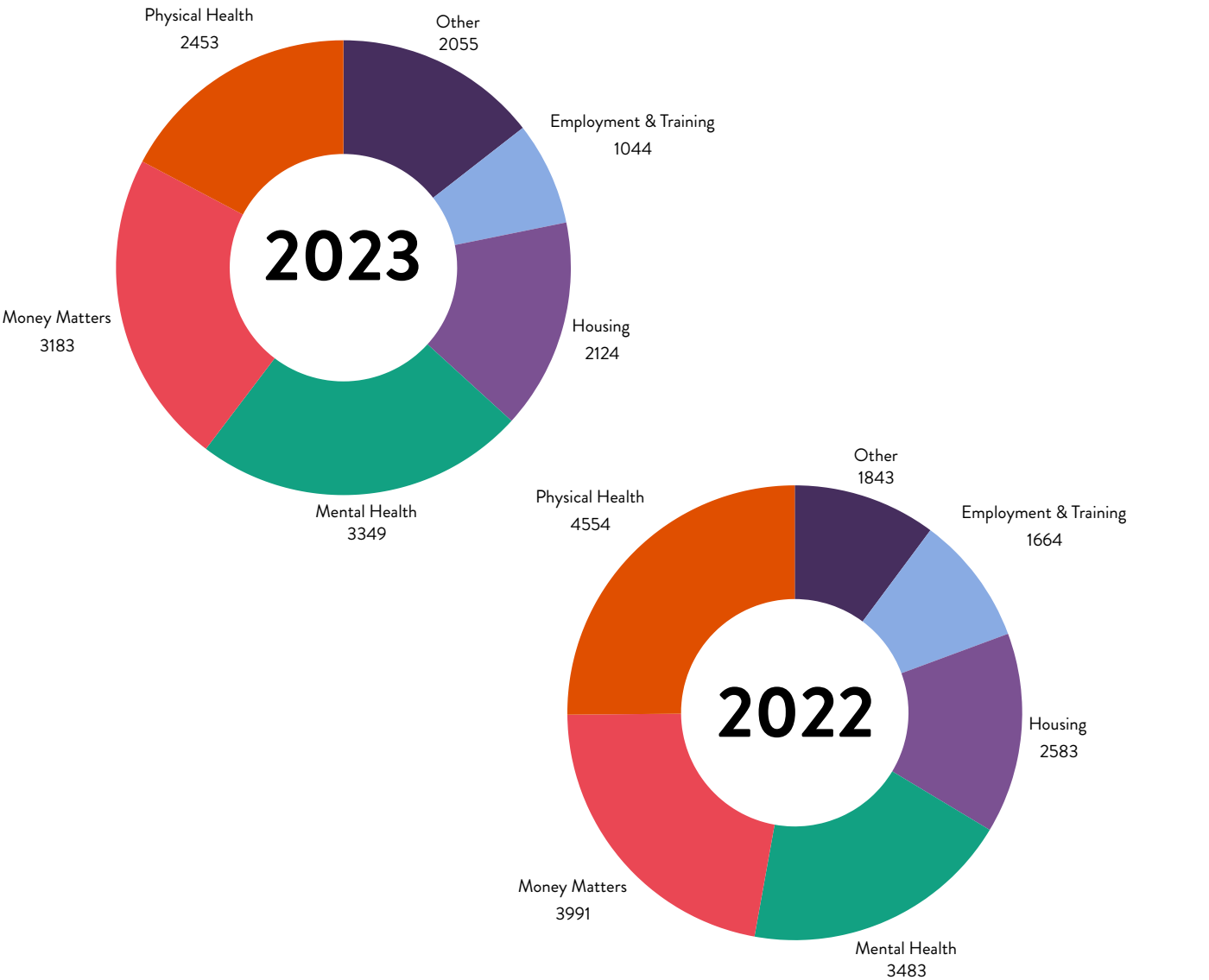
(Including the Strategic Report)

WHAT WE HAVE ACHIEVED (continued)

In total, 2,393 (2022: 2,704) individuals sought Racing Welfare’s help in 2023 with 1,781 of these going on to receive more in depth support (2022: 2,056). This represents a 13.3% decrease on 2022 statistics, which sees us return to similar support levels to those we saw in 2021. 2022 was particularly high due to the initial impact of the cost of living crisis but we also reduced our Welfare team due to our funding challenges for the Workforce Wellbeing Programme which limited the number of people we were able to support. A total of 14,207 (2022: 17,379) instances of support were provided across a wide range of issues. This 18% decrease is partly due to the same reasons as the reduction in those supported, but we have been able to mitigate the impact by efficiencies developed part way through 2022. The new grants online portal means that financial assistance grants can be awarded with many fewer steps requiring less touchpoints with beneficiaries.

Our new Director of Welfare Programmes joined in November 2023 and began an in depth review of our Welfare Department and the service provision. Further efficiencies and improvements to the service provision will be implemented in 2024.

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

Workforce Wellbeing Programme:

This programme is made up of Racing's Support Line, Racing's Occupational Health Service, Mental Health Services and until November 2023, the Careers Advice and Training Service. This programme was originally funded by The Racing Foundation. During 2023 the Racing Foundation contributed 27.7%, the Horserace Betting Levy Board 11.4%, 1.1% came from employer contributions and the balance of 59.8% from Racing Welfare's reserves (£594k; 2022: £147k). Funding from the Racing Foundation ceased in 2023.

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 2023, 1,782 individuals contacted Racing's Support Line (an increase of 31% from 2022: 1,232) and our online advice and guidance pages achieved similar views in 2023 of 19,457 (20,232 in 2022).

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. These include musculoskeletal disorders, accident & injury, disability, illness, stress, depression and anxiety. In 2023 we referred 217 new people through ROHS (2022: 386).

In 2023 we spent £175,235 (2022: £185,965) on diagnosis and treatment through ROHS. The service was promoted via online campaigns, webinars and by raising awareness with other industry bodies and employers.

Careers Advice and Training Service

CATS was an industry-specific career development service aimed at improving industry staff retention by supporting people to develop throughout their careers in the horseracing industry. The service supported people in 5 main ways; personal development, career change (within industry), job-seeking skills, return to work and employer support. During 2023 we were advised by the Independent People Board to remove it from the Workforce Wellbeing Programme in order to optimise our chances of receiving emergency industry funding from the Horserace Levy Board. It was felt this service could sit elsewhere in the industry, for example with Careers in Racing, a department of the British Horseracing Authority. Unfortunately, it transpired that no other organisation had the resource or appetite to take over the service. Given Racing Welfare did not have resources to support the service we reluctantly closed down the scheme at the end of the year, resulting in a staff redundancy, closure of the website and a significant reduction in the CATS grants allocation. We saw this service as a key part of our holistic offering and we are disappointed to no longer have funding to provide it. In the short term our Welfare Officers will continue to signpost beneficiaries to external services and provide advice and guidance where possible. We are grateful to be able to provide a limited number of training grants through our partnership with the National Trainers Federation Charitable Trust, which Racing Welfare administer on their behalf.

TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)

Careers Advice Training Service (continued)

Prior to the official closure of the CATS service in December 2023, the dedicated CATS website received 7,794 views of CATS digital material in 2023 (2022: 9,239). The decline is due to the lack of promotion for CATS during the latter quarter of the year. CATS support increased by 44%, with 181 (2022: 126) people receiving careers support via the bespoke telephone careers coaching service, accessed through Racing's Support Line. Career development grants totalling £32,692 (2022: £40,716) were awarded in 2023 through CATS. In addition, £16,823 (2022: £9,965) funding was awarded via the National Trainers Federation Charitable Trust, which Racing Welfare administer on their behalf.

OLIVIA'S STORY

I heard about Racing Welfare from Katy our Welfare Officer coming into the yard. She used to come in once a month, I got to know Katy from her yard visits and I felt comfortable contacting her.

At the time I was running a yard and it was just all getting a bit too much. I started hurting myself but I thought I was doing it in a way no one could see. It was affecting everything, I wasn't doing my job properly and it was affecting everyone around me as well.

I just thought enough is enough, I'm going to end up killing myself. So, in the end, I contacted Katy by text which was handy because I didn't really want to talk and I could write everything down and not forget anything.

Katy listened to me and recognised I needed help. First of all, Racing Welfare arranged professional counselling, it didn't take long to arrange, it was a two week wait at the most.

I feel like the counselling has sorted a lot of things out. I had EMDR, a type of therapy called eye movement desensitisation and reprocessing which helps to treat trauma. It has helped me deal with what I wanted to do next, it has helped me take the next steps.

I feel without the counselling, I don't know if I would have coped as well as I have done. I feel it has really helped me as a person to behave how I wouldn't have normally behaved, I just got so lost and depressed beforehand, before the counselling.

Katy also got me a gym membership and said it would make me feel better. I was able to go to the gym and go to counselling, I found the combination of the two really helped.



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.

All welfare officers receive Mental Health First Aid England (MHFA) training every three years and during 2023 we trained a new welfare officer as well as our Regional Community Executive (South) and our Head of Marketing and Communications.

We continued to support national mental health campaigns to raise awareness such as Mental Health Awareness Week and World Mental Health Day. We created a high impact film to promote the week which has gone on to win runner up in the finals of the 2024 Charity Film Awards. The film has had a significant impact on our beneficiary base, particularly amongst trainers and senior managers.

We continued to deliver Mental Health First Aid training in 2023. 87 delegates attended Mental Health First Aid training in classroom settings throughout the year, with attendees coming from a wide range of racing organisations. 9 delegates attended the online Mental Health Aware course (a shorter, half-day course). To date Racing Welfare has trained over 638 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 to 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. For the second year we were able to provide a significant number of targeted grants due to the ongoing support of the John Pearce Foundation. We are extremely grateful to the trust which enabled us to grant £57,700 in funds to those who needed it most (2022: £134,170).

In addition to the targeted grants, £76k in general grants were awarded (2022: £111k) 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 2023 we secured £113,750 (2022: £126,488) 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, a designated safeguarding management representative and two trustees who are designated safeguarding representatives on the board. 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 2023:

- There were 2,659 attendees (2022: 2,233) at 101 in-person coffee mornings and reminiscence events held in 11 different areas.
- A further 1,372 (2022: 1,488) attendees at 25 retired beneficiary trips and outings, including 7 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 39 vulnerable and isolated beneficiaries (2022: 50).



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 contributes funds towards 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

Community outreach work has been a core function of Racing Welfare for several years now carried out, in the main, by our welfare teams on the ground. Our pro-active outreach work has been a key contributor towards our continued growth, with the number of individuals being supported increasing by almost 10% on average each year since 2016 (excluding statistics during 2020/21 due to the Covid-19 pandemic). However, as the number of individuals needing expert wellbeing support has increased, the capacity of the welfare teams to deliver the community programme has declined, creating an opportunity to develop a new Community Engagement department in 2023.

Thanks to generous funding from the John Pearce Foundation, we have been able to develop a dedicated Community Engagement department consisting of five individuals: the Head of Community Engagement, two Regional Community Executives, one Outreach and Engagement Officer (Thoroughbred Stud and Breeding) and a Volunteer Co-Ordinator. The department supports the welfare, fundraising and communications teams in raising awareness of our services amongst racing's people. A focus for the team is targeting hard-to-reach areas and sectors that are underrepresented in our current beneficiary statistics. Even in these early stages we can see this more targeted focus is beginning to generate results with a 24% increase in the number of racecourse staff supported by Racing Welfare in 2023 and staff from this sector making up a total of 7.2% of all individuals supported by our charity (2022: 3.8%). There has also been progress with the stud and breeding community, with our dedicated Outreach and Engagement Officer raising awareness amongst stud staff and employers through increased workplace visits and presence at the sales. In total there were 72 visits to studs, sales areas and pre-training yards in 2023 (2022: 29).

During 2023 the Community Engagement team supported the frontline welfare officers to conduct workplace visits, delivering presentations to staff teams and attending industry events such as the RCA Showcase and Awards. In addition to the stud visits mentioned above, there were 588 visits to racehorse training yards and racecourses (2022: 632).

TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)

Racing Welfare's community engagement activity is far-reaching and currently includes a significant portfolio of regional events. Most of the events are targeted towards either 'working-aged' or 'retired' racing staff. However, we are finding several examples where there is crossover of the target audience, with members from across racing's community coming together to enjoy some of our events. For example, at rounders events in both the north and south there were members of our retired racing community spectating or even umpiring a game or two. We've seen whole families supporting our community sporting events, as well as some younger working age staff turning up at coffee mornings or bingo events targeted towards the retired community.

- There were 2,659 attendees (2022: 2,233) at 101 in-person coffee mornings and reminiscence events held in 11 different areas.
- A further 1,359 (2022: 1,488) attendees at 25 retired beneficiary trips and outings, including 7 Christmas lunches.
- There were 1,372 attendees at 33 (2022: 24) events for working age staff.

A long-term community engagement strategy is currently being developed to tackle ongoing challenges in raising awareness of Racing Welfare in hard-to-reach areas and sectors, as well as ensuring our services remain accessible to all of racing's people.

The charity continues to fund the community work of The Racing Centre and a grant of £44k was made to the Centre in 2023 (2022: £44k) to enable them to deliver social and sporting activities to racing's people. Racing Welfare utilised The Racing Centre as office space for the East region welfare team, allowing them to work closely and collaboratively with The Racing Centre staff. However, due to the funding challenges we face, in December 2023 we relocated the East region welfare team to Racing Welfare's head office.

Regrettably, due to funding constraints, the decision has been taken not to renew the contract in its current form with Sports Chaplaincy UK (SCUK) – who provide chaplaincy services to the industry – beyond 2024. However, the Charity and SCUK are working together to consider alternative ways in which the service could be provided as it delivers important pastoral care, support and counselling. Volunteer chaplains cover the South and North, assisting the National Chaplain by providing localised pastoral support.



TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)

SPOTLIGHT: VOLUNTEER WORK

Within the Community Department exists an exciting opportunity to expand Racing Welfare's capacity through greater utilisation of our volunteers. During 2023, thanks to a concentrated effort and a recruitment drive led by Volunteer Co-Ordinator, Katie Panagarry, our volunteer portfolio rose to a peak of 172 volunteers in July. Through an increased use of our digital volunteer management platform, Volunteero, we were able to engage more volunteers than ever and our portfolio remained stable, ending the year with 169 volunteers on our database (2022: 140). Not only does Volunteero facilitate improved communication between us and our volunteers, it helps us to collect more specific data around volunteering, such as the time donated which exceeded 540 hours for volunteers directly supporting welfare activity in Q3 and Q4 2023.

Tasks that volunteers carry out range from bucket collections at racecourses and fundraising event support, through to support with organising our community events and, of course, facilitating calls through our telephone 'Check-In and Chat' service. During 2024 we will be developing a strategy to further engage our existing volunteers, ensuring we are utilising their skills and knowledge to best effect and exploring new roles for volunteers that will further support our staff teams and increase our overall capacity.

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. Adam Ferguson, our former Head of Community Engagement, completed the Thoroughbred Horseracing Industry's MBA during the year, his research topic 'Investigating the disparity of uptake of welfare support provision within the British horseracing industry' has helped shape the strategy of our new Community Engagement department. We also assisted an external PhD student in her research topic, Racing Welfare Injury Data Report.



TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)

Fundraising

None of the above could be achieved without the generosity of donors and supporters of Racing Welfare. In 2023, the group raised £3.6m, (2022: £3.3m) from donations, grants and fundraising events, and we are extremely grateful to those who made those contributions. Highlights from our fundraising campaign included:

- Kind and continued support from companies such as Betfair, The Jockey Club, York Racecourse, Godolphin, Racehorse Lotto, Rewards4Racing, Arena Racing Company, Tote, Racehorse Owners Association, Juddmonte Farms, Tweenhills, At The Races, Betway and Bedmax.
- Generous support from trusts and foundations including; The Childwick Trust, The Thompson Family, The John Pearce Foundation, EBM Charitable Trust, The Sir Peter O'Sullivan Trust, The Racing Foundation, Anne Duchess of Westminster Fund, The Gerald Leigh Charitable Trust, Cottesbrooke/McDonald Buchanan, The Wates Foundation, Lord Leverhulme's Charitable Trust, The Langton Trust and The Dalby Charitable Trust.
- Delivering a number of fundraising events, headlined by the Great Racing Welfare Boat Race at Windsor Racecourse. Other events included the Yorkshire Three Peaks Challenge, Woburn Golf Day, Aintree Grand National Lunch, the Epsom Owners & Trainers Ball and the Northern Racing Awards, Haydock Charity Raceday, Racing Staff Week, the Newmarket Heath Ride and the Tattersalls Carol Concert.
- Our Middleham Open Day continued to grow, with record numbers in attendance once more, whilst our Malton Open Day also returned, following its cancellation in 2022 due to the sad passing of The Queen.
- New support from corporate partners such as Bet Goodwin, M1 Agency, British Horseracing Officials Association and Goodwood Racecourse.
- Our supporters continuing to raise funds through their own initiatives, with Catch Us If You Can Racing, Middleham Park Racing, Hambleton Racing, Henrietta Knight Racing Club and Mills Racing.
- Continued support by generous individuals through personal donations, which included four members of our brand new Platinum Club, which launched in 2023.



TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)

SPOTLIGHT: FUNDRAISING

A brand new event for 2023 was the inaugural Great Racing Welfare Boat Race, kindly hosted by Windsor Racecourse on Wednesday 6th September. On a beautiful sunny day, we were joined by 16 teams from the world of racing, with teams entered by the likes of Ben Pauling, Dan Skelton, Fergal O'Brien and Andrew Balding, whilst there were also two teams entered by jockeys, with a total of 176 taking part. The day raised over £20,000 (gross) for Racing Welfare, whilst the PR generated from the day was far-reaching, with a number of enquiries being made following the event to ask when the next Great Racing Welfare Boat Race would take place. The event was generously supported by Windsor Racecourse/Arena Racing Company and Qatar Bloodstock, and we are delighted to be returning to Windsor for the second Great Racing Welfare Boat Race this year on 4th September 2024.

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 positive 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 2023 the 165 (2022: 165) units in the portfolio housed 173 (2022: 171) tenants. There were 55 (2022: 41) new lets in the year. Four units of accommodation were substantially or fully refurbished, of which two were older person accommodation and two were working staff. Seven of our younger licensees' rooms were redecorated prior to re-let. Whilst we continue with a refurbishment programme when our homes are re-let, 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 programmes. All other properties which became empty were re-let at a good standard which included all appropriate repairs, maintenance and partial elemental replacements where needed.

DAVID'S STORY

Anyone visiting Newmarket's Jim Joel Court can expect to be greeted by the sound of a radio and whistling emanating from the shared greenhouse situated on the communal lawn. Most likely you'll be greeted by a beaming Racing Homes tenant, David Brooks, whose love of gardening sees him spending most of the daylight hours tending to the flowerbeds or vegetables growing around the housing scheme.

David, a former racing employee for over 40 years, has lived at Jim Joel Court since 2017, but he explains how this hasn't always been smooth sailing.

"I went through a relationship breakdown and spent time in hospital – I was really unwell. When I came out I had nowhere to go. I was homeless and I spent around two years sofa surfing. I put my name down on the Racing Homes wait list and they managed to find me accommodation, initially at Jack Jarvis Close, then moving here [Jim Joel Court] in 2017."

During this time, David was battling a serious drug addiction which led to him falling into significant rent arrears.

He said: "I'd get money in one hand then out the other on drugs."

Racing Welfare's team supported David to overcome his addiction and worked hand-in-hand with Racing Homes to set up ongoing support and a repayment plan to clear his rent arrears.

He said: "I went to Racing Welfare and asked if they could get me some help with counselling. They got a counsellor for me which helped out amazingly.

"Over the last 18 months I've kept off [the drugs]. Slowly, slowly, over a few years, with the help of Racing Welfare and Racing Homes, I've managed to get the arrears right down."

David continues to receive ongoing support from the Racing Homes team and reflects on how this support affects his day-to-day life:

"Living here benefits me tremendously. Living somewhere where you know you can get support rather than just being left out to dry - I feel a lot better in myself now, more confident. It's very hard to ask for help sometimes but Racing Welfare seem to sense things and just when I do need help, when I feel like I'm going under again, they ring me up!"

TRUSTEES' REPORT

Achievements and Performance continued

(Including the Strategic Report)

Middleham

We continue to pursue an option for increasing the housing provision in Middleham. 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 the completion of the purchase completed in early 2024. This site will 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 Hill House is being sold.

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 in-house 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. Capitalised planning costs of £167k for the proposed site have been disposed in 2023 (2022: £nil).



TRUSTEES' REPORT

Achievements and Performance continued

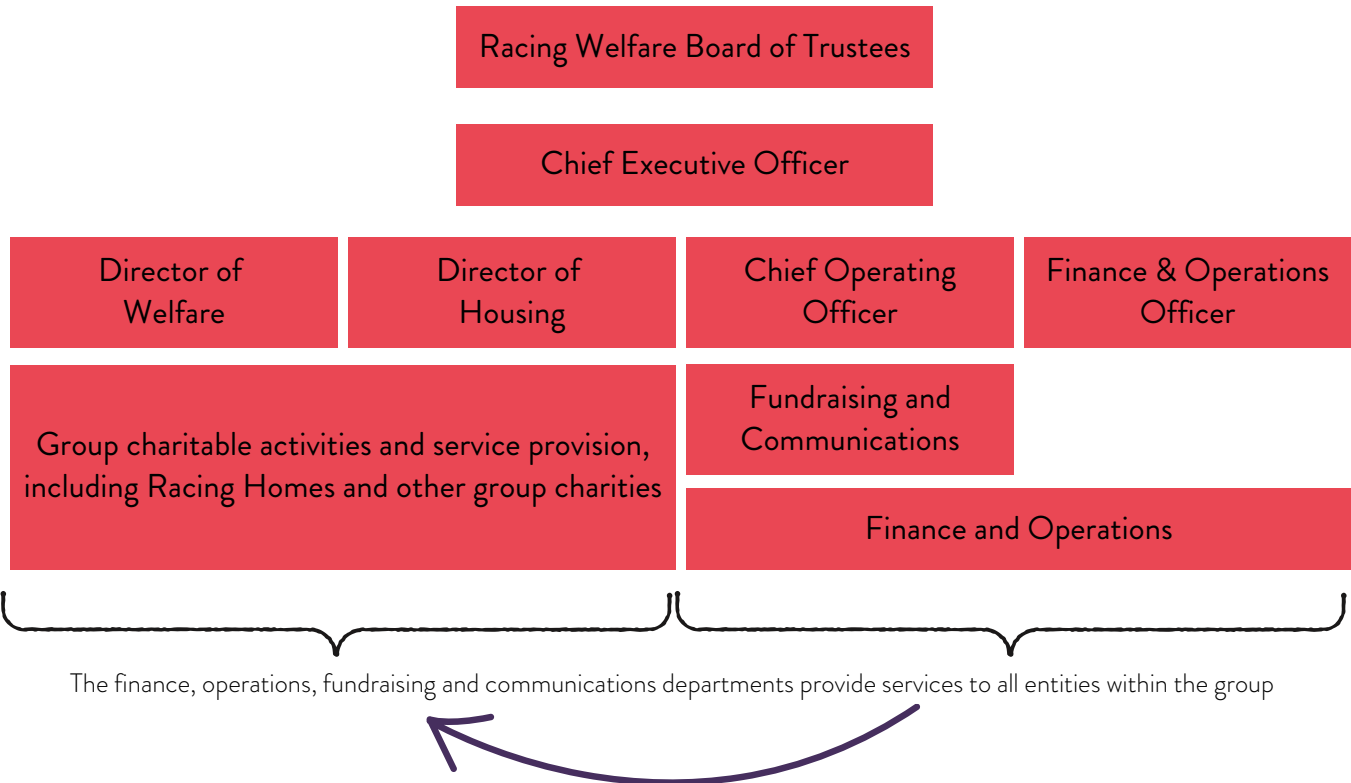
(Including the Strategic Report)

HOW WE ACHIEVED IT

2023 was a very tough year. The ongoing battle to achieve funding for the Workforce Wellbeing Programme meant we decided to not replace any staff who left through natural attrition, unless their roles were deemed essential and could not be absorbed elsewhere. This was part of a defence strategy to limit our forecast loss for the year through a rigorous cost-cutting exercise. The result was a drop in headcount from 50 at the start of the year to 44 by the end of the year, with a further 3 contracts ending on 31st December. In addition, we have one team member on maternity leave and we have not taken on any maternity cover for this role. In order to continue to deliver our welfare services we streamlined our processes where possible and reduced outputs in marketing and communications. Investment in training and systems was temporarily paused with only essential training taking place. We also closed our Welfare Team office in The Racing Centre in Newmarket, relocating our staff back to our head office in Newmarket.

The charity is very fortunate to benefit from donated services from The Jockey Club group including IT support, HR and payroll services, Health and Safety Support 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 Programmes, 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 Community Engagement, Head of Housing and the two Regional Welfare Managers.



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

Our main focus for 2024 is to work with the industry to secure long-term sustainable funding for a Workforce Wellbeing Programme. This will require working closely with the Industry People Board who are working towards delivering a strategy by June 2024. This strategy will provide much needed clarity on their recommendations in terms of provision for the people working in horseracing.

We will continue to deliver our Community Engagement strategy which gives a more co-ordinated programme of community events aimed at improving awareness of our services, increase community fundraising, deliver activities aimed at preventing loneliness and isolation as well as manage and build our volunteer network. Our priority in the early part of 2024 is to secure multi-year funding for this workstream so that we can fulfil the strategy developed in 2023.

With our newly appointed Director of Welfare Programmes we will undergo a full review of our welfare provision to ensure that we are delivering a high quality service in the most cost-effective way. We will deliver a full programme of fundraising events, working to improve our return from each event and further develop our newer funding streams.

We will complete our environmental impact work within Racing Homes, giving us an accurate measure of our carbon footprint. This will enable us to prioritise areas to improve and adjust our asset management programme accordingly. Our environmental impact assessment on Racing Welfare will be reviewed once we are on a more secure funding footing.

Racing Homes will carry out a number of strategy sessions to review the long term sustainability of the housing association against the backdrop of a sizeable asset management plan, increased compliance and environmental impact pressures. The team will also mobilise a Middleham Committee to refine the plans for our new capital project in the town and develop a fundraising strategy to fund the development.



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 deficit of £329k before gains and losses on investments (2022: 683k).

The group's investment portfolio saw fair value gains of £558k, in contrast to the fair value losses of £1,599k in 2022 which were impacted by uncertainty caused by the conflict in the Ukraine. The group therefore saw net income after investment gains of £229k (2022: net losses after investment gains of £2,282k).

Our Income

The charities raised £4.0m (2022: £3.3m) from fundraising activity, including income from grants. Of this, £1.1m (2022: £nil) related to the one-off transfer of restricted assets from Epsom Racing Staff Welfare, a small charity based in Epsom. It comprised two residential properties with a combined value of £850k in addition to £258k restricted cash. We achieved a return on fundraising of 80% (2022 – 76%).

Investments generated £0.3m (2022: £0.3m) of income and £1.0m (2022: £0.9m) was raised from housing rents.

Our Expenditure

Total expenditure increased with £4.6m (2022: £4.2m) being spent on charitable activities, primarily welfare advice, grants and projects (including the Workforce Wellbeing Programme) £2.0m (2022: £2.5m) and housing expenditure of £1.8m (2022: £1.2m). The cost of fundraising remained steady at £0.7m (2022 – £0.7m).

Balance Sheet

The group saw a decrease in net current assets, a result of accrued income and cash at bank falling in comparison to 2022. Liquidation of investments to the value of £493k (2022: £nil) offset the fair value gains meaning the value at the end of the year remained steady at £14.9m (2022: £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, that 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 £1.1m (group: £1.5m). Free reserves of the charity are £10.8m (2022: £12.0m) and of the group are £11.9m (2022: £12.6m) as they include unrestricted investments of £12.0m (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 2023 in the Charity was £16.6m (2022: £16.2m), of which £3.7m was in restricted funds (2022: £2.4m). The total reserves held at 31 December 2023 in the Group was £30.0m (2022: £29.8m), of which £11.1m was in restricted funds and endowment funds (2022: £10.5m).

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 Liontrust Investment Partners LLP. The majority of investments are held to fund the charities' activities. The portfolio's 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.

The F, I & A Committee use total return % benchmarked against the FTSE All-share as one performance measurement.

Total returns – positive/(negative)	2023	2022
Trojan Income Fund	5.4%	(12.3)%
Trojan Fund	3.0%	(3.6)%
Liontrust UK Equity Fund	10.5%	(9.9)%
FTSE All-share (benchmark)	7.9%	(0.3)%

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 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. A review of fund managers will be undertaken in 2024 in conjunction with an independent external consultant.



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 £10.8m 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 2024, further developing our 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 2024. 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)

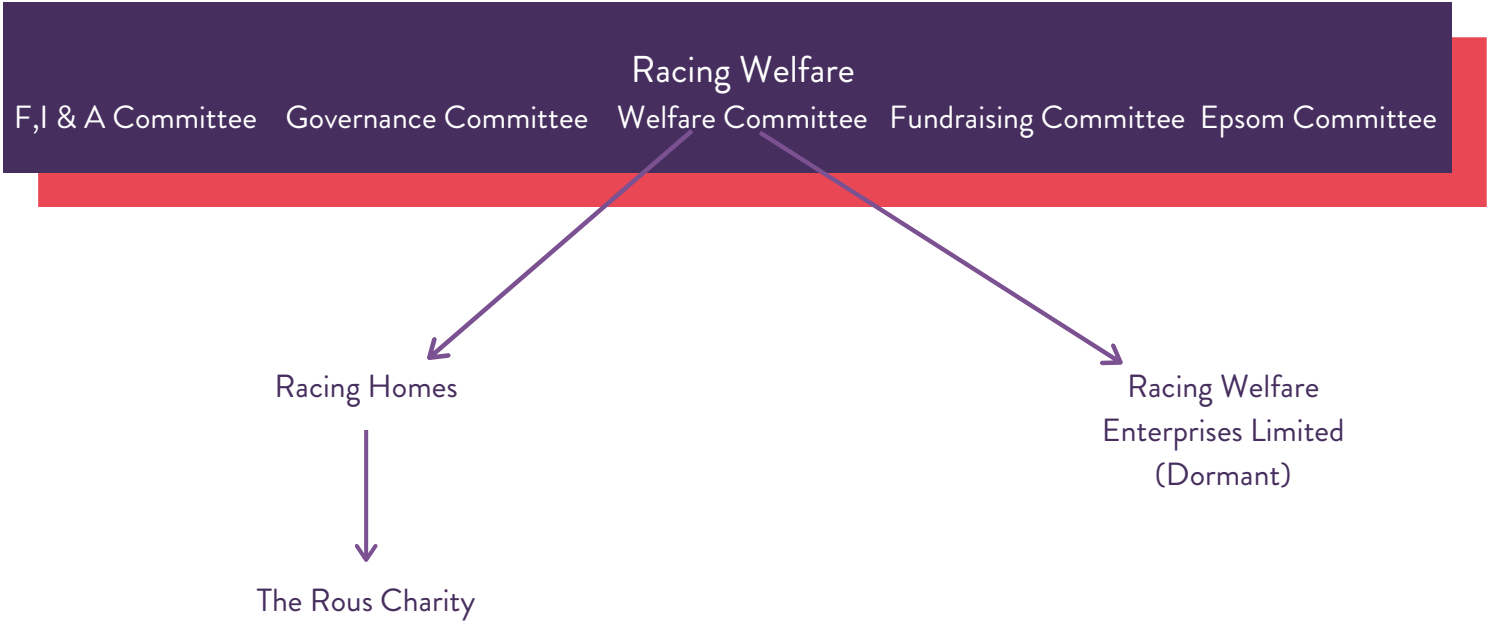
Principal Risks and Uncertainties (continued)

Risk Description	Risk Mitigation
<p>Failure to protect vulnerable adults and young people</p> <p>This is included due to the inherent risk associated with dealing with vulnerable adults and young people</p>	<p>All staff are appropriately vetted in accordance with law and current regulations. The charity has a robust safeguarding policy which is regularly reviewed by dedicated safeguarding staff and is the recipient of the SafeCic Safe Award recognising excellence in safeguarding standards. Safeguarding training is undertaken by all staff. DBS checks are carried out on all trustees. All line managers and Jockey Club HR staff that work closely with the Racing Welfare group undergo Safer Recruitment training.</p>
<p>Reliance on a small number of key funders</p> <p>This is included as core funding for key services has recently come to an end</p>	<p>The fundraising committee has prepared a diversification strategy to decrease reliance on particular income streams. Plans are in place to ensure funding for key projects and programmes is sought from a significantly wider pool of donors and funders.</p>
<p>Failure to comply with GDPR</p> <p>This is included as the charity holds a significant amount of very sensitive data. Any breach would result in significant reputational damage</p>	<p>The charity has ensured all policies and procedures are updated regularly. IT security is maintained by The Jockey Club's skilled IT professionals with all sensitive data stored and transmitted securely with firewalls and antivirus software updated regularly. Operations Manager completed DPO training and works closely with the Jockey Club's DPO. All staff undertake comprehensive training on an annual basis with new staff undertaking this as part of their induction. A cyber insurance policy in place.</p>
<p>Loss of key staff</p> <p>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</p>	<p>Sufficient notice periods are in place for key personnel. Remuneration packages are benchmarked and reviewed annually to ensure they remain competitive. The executive team has created a positive culture and workplace with importance placed on maintaining staff wellbeing and work-life balance.</p>
<p>Breach of Health and Safety Regulations</p> <p>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</p>	<p>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.</p>
<p>Service provision – customer satisfaction</p> <p>This is included due to the importance of having high quality services that are valued and easily accessible to all beneficiaries</p>	<p>Our services are benchmarked against other providers and we undertake internal and external evaluations. Welfare Officers are provided with a handbook to ensure consistency of service. A complaints procedure is in place and a PR response plan is ready should any adverse publicity arise.</p>

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.

Epsom Committee

The committee was formed in 2023 as a result of the transfer of assets from Epsom Racing Staff Welfare (ERSW) to Racing Welfare. The committee is responsible for considering the assets held in Epsom (currently two properties), any residual funds from ERSW and future funding generated in Epsom restricted for use in Epsom. The committee meets twice a year and is made up of five trustees, three who were formerly trustees of ERSW.



TRUSTEES' REPORT

Governance and Structure continued

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. In 2023 we prepared for the next recruitment drive for the various committees which involved reviewing our board skills audit and identifying the skills gaps. In addition, we undertook the recruitment process for replacing our Racing Welfare Chairman. The new Chair, Nick Bannister, will be officially appointed in June 2024. He is undergoing an extensive induction period to ensure that there is a smooth handover from our outgoing Chair.

We held three trustee strategy days in 2023 covering environmental strategy, 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. These strategy days are incredibly useful and provide time and head space to consider the more strategic priorities of the charity outside of the time pressures and regular essential topics that have to be covered in board meetings.



TRUSTEES' REPORT

Governance and Structure continued

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 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 are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. A number of trustees take on additional key responsibilities on the board and receive any subsequent training if required. This includes having trustees with delegated board level responsibility for safeguarding and health and safety.

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 occupied offices within their building until they were relocated to Racing Welfare's head office in December 2023.
- Epsom Racing Staff Welfare – this charity provided housing for working staff in the racing centre of Epsom. Racing Welfare provided 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. The net assets of ERSW were transferred to Racing Welfare during 2023.
- 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.

TRUSTEES' REPORT

Governance and Structure continued

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.

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 2023 was 169 (2022: 140). In 2023 these volunteers were involved in 5 different fundraising events (2022: 7) and 20 volunteers were actively involved in the continued success of our telephone befriending service (2022: 20).

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, 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.

TRUSTEES' REPORT

Governance and Structure continued

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

The charity has 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 Senior Leadership Team and general pay and remuneration terms of all employees. 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 2023 we undertook another staff survey via the Jockey Club. The results were excellent showing that we have very high engagement and that people felt they knew what they needed to do to be successful in their role, they were given the right access to learning and development to be successful and understood how their work contributes to Racing Welfare's goals. There is work to do on internal communications and there is concern over there being uneven workloads which we are now addressing with our improvements in 2024.

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.



TRUSTEES' REPORT

Governance and Structure continued

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, salary sacrifice for the leasing of electric cars, Ride to Work scheme, 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 undertook a strategy day in 2023 with our external consultant, the outcome of which was to request that the consultant complete a more detailed analysis of our carbon footprint across both organisations. Due to our funding challenges this has been put on hold for 2023 and we have commissioned the review to take place for Racing Homes in 2024 with Racing Welfare's work on hold until funding of the WWP is clearer.



STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Group and Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The Auditors, Price Bailey, 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 23 July 2024 and signed on its behalf:



Sir William Barlow, Chairman

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RACING WELFARE FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 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 2023, 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 2023 - 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 2023 - CONTINUED

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 32 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 2023 - 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.



Shaun Jordan ACA (Senior Statutory Auditor)

For and on behalf of Price Bailey LLP

Chartered Accountants

Statutory Auditors

Tennyson House

Cambridge

CB4 0WZ

Date: 24 July 2024

(A company limited by guarantee)

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

YEAR ENDED 31 DECEMBER 2023

	Note	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Endowment funds 2023 £'000	Total funds 2023 £'000	Total funds 2022 £'000 (Note 25)
INCOME FROM:						
Donations and legacies	2					
Received in the usual course of fundraising activities		810	1,052	-	1,862	2,274
Exceptional and one-off items		-	1,108		1,108	-
Charitable activities		1,001	-	-	1,001	960
Other trading activities:						
Fundraising events		706	36	-	742	772
Investments	3	309	-	-	309	259
Other income		9	-	-	9	4
TOTAL INCOME		2,835	2,196	-	5,031	4,269
EXPENDITURE ON:						
Raising funds		725	-	-	725	735
Charitable activities		3,524	1,094	18	4,636	4,217
TOTAL EXPENDITURE	4	4,248	1,094	18	5,360	4,952
NET (EXPENDITURE)/INCOME BEFORE GAINS AND LOSSES ON INVESTMENTS		(1,413)	1,102	(18)	(329)	(683)
Net (losses)/gains on investments	10	514	44	-	558	(1,599)
NET (EXPENDITURE)/INCOME FOR THE YEAR		(899)	1,146	(18)	229	(2,282)
Transfers between funds		521	(521)	-	-	-
NET MOVEMENTS IN FUNDS		(378)	625	(18)	229	(2,282)
Reconciliation of funds:						
Balances brought forward		19,252	9,693	830	29,775	32,057
Balances carried forward		18,874	10,318	812	30,004	29,775

**CONSOLIDATED AND CHARITY STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 DECEMBER 2023**

		2023		2022	
	Note	Group £'000	Charity £'000	Group £'000	Charity £'000
FIXED ASSETS					
Intangible fixed assets	8	158	-	159	-
Tangible fixed assets	9	15,564	2,180	15,343	1,772
Investments:					
Investments	10	14,997	13,935	14,932	14,545
Programme related investments	11	-	-	60	60
		<u>30,719</u>	<u>16,115</u>	<u>30,494</u>	<u>16,377</u>
CURRENT ASSETS					
Debtors	12	753	599	964	739
Cash at bank and in hand		818	386	974	203
		<u>1,571</u>	<u>985</u>	<u>1,938</u>	<u>942</u>
LIABILITIES					
CREDITORS: amounts falling due within one year	13	(675)	(469)	(1,005)	(1,091)
		<u>896</u>	<u>516</u>	<u>933</u>	<u>(149)</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES		31,615	16,631	31,427	16,228
CREDITORS: amounts falling due after more than one year	14	(1,611)	-	(1,652)	-
		<u>30,004</u>	<u>16,631</u>	<u>29,775</u>	<u>16,228</u>
NET ASSETS					
THE FUNDS OF THE CHARITY:					
Unrestricted funds:					
General fund		1,075	997	1,538	882
Designated funds:					
Other designated funds		17,799	11,970	17,714	12,951
Total unrestricted funds		<u>18,874</u>	<u>12,967</u>	<u>19,252</u>	<u>13,833</u>
Restricted funds:					
Other restricted funds		10,318	3,664	9,693	2,395
Total restricted funds		<u>10,318</u>	<u>3,664</u>	<u>9,693</u>	<u>2,395</u>
Endowment funds		812	-	830	-
TOTAL FUNDS	15/16	<u>30,004</u>	<u>16,631</u>	<u>29,775</u>	<u>16,228</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 £128k (2022: £682k), with investment gains of £531k (2022: investment losses of £1,554k).

The financial statements of Racing Welfare were approved by the Board of Trustees and authorised for issue on 23 July 2024 and signed on its behalf by



Sir William Barlow (Chair)

The notes on pages 40 to 64 form part of these financial statements.

RACING WELFARE**(A company limited by guarantee)****CONSOLIDATED STATEMENT OF CASH FLOWS****YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £'000	2022 £'000
Cash (used)/provided by operating activities	18	<u>(522)</u>	<u>(45)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(146)	(102)
Proceeds from sale of investments		493	-
Repayment of programme related investments		<u>60</u>	<u>-</u>
Net cash used in investing activities		407	(102)
Cash flows from financing activities			
Repayment of loans		(41)	(41)
Net (decrease) / increase in cash and cash equivalents		<u>(156)</u>	<u>(188)</u>
Cash and cash equivalents at 1 January	18	974	1,162
Cash and cash equivalents at 31 December	18	<u>818</u>	<u>974</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 £100.

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. For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received. Where there is a life interest, the donated asset is excluded until the life interest expires.

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

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

Expenditure

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

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

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

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

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

Fund Accounting

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

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

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

Endowment funds 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.

1.ACCOUNTING POLICIES (continued)

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	2% per annum or over the lease term
Housing property improvements	5%-25% per annum
Housing property fixtures and fittings	10%-25% per annum
IT equipment	33% per annum

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.

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.

RACING WELFARE
(A company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2023

1.ACCOUNTING POLICIES (continued)

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

	2023 £'000	2022 £'000
Donations - in the usual course of fundraising activities	381	440
Donations - exceptional and one-off	1,108	-
Legacies	174	39
Grants	1,307	1,795
	<u>2,970</u>	<u>2,274</u>

During the year the net assets of Epsom Racing Staff Welfare (ERSW), comprising two properties with a combined value of £850k and cash of £258k (total: £1,108, disclosed as exceptional and one-off donations above), were transferred to Racing Welfare. The asset transfer was the natural progression for the relationship between the two charities which has seen Racing Welfare's Welfare, Fundraising, Finance and Operations teams, as well as Racing Homes's housing team, provide services on behalf of ERSW free of charge for a number of years. These are restricted for use in the Epsom area.

Restricted donations amounted to £1,160k (2022: £80k). Restricted grants amount to £1,000k (2022: £1,345k). All legacy income was unrestricted in both 2023 and 2022.

3. INVESTMENT INCOME

	2023 £'000	2022 £'000
Interest receivable	3	2
Dividends received from investment and unit trusts	306	257
	<u>309</u>	<u>259</u>

4. TOTAL EXPENDITURE

	Activities undertaken directly 2023 £'000	Grant funding of activities 2023 £'000	Support costs 2023 £'000	Total 2023 £'000
Cost of raising funds				
Fundraising	160	-	83	243
Fundraising events:	398	-	84	482
	<u>558</u>	<u>-</u>	<u>167</u>	<u>725</u>
Charitable activities				
Advice and Guidance	526	72	208	806
Financial assistance	3	134	-	137
Welfare Projects	895	-	181	1,076
Community activities	336	44	148	528
Housing	1,698	-	140	1,838
Communications and advocacy	189	-	62	251
	<u>3,647</u>	<u>250</u>	<u>739</u>	<u>4,636</u>
TOTAL EXPENDITURE	<u>4,205</u>	<u>250</u>	<u>905</u>	<u>5,360</u>

	Activities undertaken directly 2022 £'000	Grant funding of activities 2022 £'000	Support costs 2022 £'000	Total 2022 £'000
Cost of raising funds				
Fundraising	124	-	79	203
Fundraising events:	452	-	80	532
	<u>576</u>	<u>-</u>	<u>159</u>	<u>735</u>
Investment management costs	-	-	-	-
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
	<u>3,119</u>	<u>396</u>	<u>702</u>	<u>4,217</u>
TOTAL EXPENDITURE	<u>3,695</u>	<u>396</u>	<u>861</u>	<u>4,952</u>

Included within support costs are audit fees, payable to Price Bailey LLP, of £19,750, of which £11,000 relates to the charity (2022: £16,650; £9,900 relate to the charity).

4. TOTAL EXPENDITURE (continued)

Grant funding of activities is analysed as follows:

	Grants to individuals 2023 £'000	Grants to institutions 2023 £'000	Total 2023 £'000
Advice & guidance	-	72	72
Financial assistance	134	-	134
Healthy living and well-being	-	44	44
	<u>134</u>	<u>116</u>	<u>250</u>

	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>

	2023 £'000	2022 £'000
Payments to individuals	134	227
Racing Centre	44	44
Life Skills	19	37
Sports Chaplaincy UK	72	69
	<u>269</u>	<u>377</u>

Grants were awarded to 542 individuals in 2023 (2022: 425).

4. TOTAL EXPENDITURE (continued)

Support costs allocation	Human Resources 2023 £'000	Admin Costs 2023 £'000	Premises Costs 2023 £'000	IT Costs 2023 £'000	Governance Costs 2023 £'000	Total 2023 £'000
Cost of raising funds						
Cost of fundraising, fundraising events and trading	102	33	11	2	19	167
Charitable activities						
Advice & guidance	128	41	14	2	23	208
Welfare Projects	125	40	14	2	-	181
Community Engagement	90	29	10	2	16	147
Housing	77	25	8	1	29	140
Communications and advocacy	38	12	4	1	7	62
TOTAL SUPPORT COSTS	560	180	61	10	94	904

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	540	159	69	15	78	861

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 £577 were claimed (2022: £nil), £3,000 (2022: £500) of donations were received from trustees and £1,500 was received from Majedie Investments PLC (of which William Barlow, Chair, is CEO) for a team entry at a fundraising event (an arms length transaction).

6. STAFF COSTS

	2023 £'000	2022 £'000
Wages and salaries	1,853	1,753
Social security costs	185	181
Pension costs	188	173
	<u>2,226</u>	<u>2,107</u>

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

	2023	2022
£60,000 - £70,000	2	1
£100,000 - £110,000	1	1
£110,000 - £120,000	-	1
£120,000 - £130,000	1	-
	<u>4</u>	<u>3</u>

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

	2023 No	2022 No
Charitable activities	39	42
Fundraising	8	7
Management and administration of the Charity	8	8
	<u>55</u>	<u>57</u>

During the year remuneration received by key management personnel totalled £407k (2022: £369k). Key management personnel are the Chief Executive, Chief Operating Officer, Director of Welfare, Director of Housing and Finance and Operations Director.

During the year one member of staff (2022: nil) was made redundant as a result of the CATS service being removed from the WWP and subsequently closed. The charity incurred redundancy costs of £4k (2022: £nil), of which £4k (2022: £nil) was statutory redundancy pay. No amounts were outstanding at the end of the year.

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 £188k (2022 - £173k). At the year end the amount due in creditors in respect of pension contributions was £21k (2022 - £22k).

8. INTANGIBLE FIXED ASSETS

Group	Nomination Rights £'000
Cost	
At 1 January 2023 and at 31 December 2023	<u>198</u>
Amortisation	
At 1 January 2023	39
Charge for the year	<u>1</u>
At 31 December 2023	<u>40</u>
Net book value	
At 31 December 2023	<u>158</u>
At 31 December 2022	<u>159</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 2023	35	15,755	341	1,510	17,641
Additions	9	874	-	114	997
Disposals	-	(169)	-	(31)	(200)
At 31 December 2023	<u>44</u>	<u>16,460</u>	<u>341</u>	<u>1,593</u>	<u>18,438</u>
Depreciation					
At 1 January 2023	-	1,635	70	593	2,298
Charge for the year	-	229	7	110	346
Impairment of fixed assets	-	274	-	-	274
Disposals	-	(13)	-	(31)	(44)
At 31 December 2023	<u>-</u>	<u>2,125</u>	<u>77</u>	<u>672</u>	<u>2,874</u>
Net book value					
At 31 December 2023	<u>44</u>	<u>14,335</u>	<u>264</u>	<u>921</u>	<u>15,564</u>
At 31 December 2022	<u>35</u>	<u>14,120</u>	<u>271</u>	<u>917</u>	<u>15,343</u>

Freehold land and buildings includes freehold land of £4,007k (2022: £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 £264k (2022: £271k).

9. TANGIBLE FIXED ASSETS (continued)

Charity	Freehold land and buildings £'000	Equipment and motor vehicles £'000	Total £'000
Cost or deemed cost			
At 1 January 2023	1,784	349	2,133
Additions	874	-	874
Disposals	(168)	(31)	(199)
At 31 December 2023	<u>2,490</u>	<u>318</u>	<u>2,808</u>
Depreciation			
At 1 January 2023	90	271	361
Charge for the year	15	36	51
Impairment of fixed assets	247	-	247
Disposals	-	(31)	(31)
At 31 December 2023	<u>352</u>	<u>276</u>	<u>628</u>
Net book value			
At 31 December 2023	<u>2,138</u>	<u>42</u>	<u>2,180</u>
At 31 December 2022	<u>1,694</u>	<u>78</u>	<u>1,772</u>

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

Freehold land and buildings includes freehold land of £653k (2022: £483k) that is not depreciated.

Historic cost	2023 £'000	2022 £'000
Group		
Gross cost	15,310	14,756
Accumulated depreciation on historic cost	(3,071)	(3,056)
	<u>12,239</u>	<u>11,700</u>
Charity		
Gross cost	2,243	1,784
Accumulated depreciation on historic cost	(105)	(90)
	<u>2,138</u>	<u>1,694</u>

10. INVESTMENTS HELD AS FIXED ASSETS

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Listed securities:				
Market value at 1 January	14,917	14,531	16,516	16,086
Additions	-	-	-	-
Disposals	(493)	(493)	-	-
Disposal - Transfer to Racing Homes	-	(649)	-	-
Net investment gains/(losses)	557	531	(1,599)	(1,555)
Market value at 31 December	<u>14,981</u>	<u>13,920</u>	<u>14,917</u>	<u>14,531</u>
Historic cost at 31 December	<u>12,279</u>	<u>9,775</u>	<u>12,772</u>	<u>10,917</u>
Listed investments are represented by:				
Trojan Income Fund (S Income)	5,345	4,504	5,280	5,061
Trojan Fund (S Income)	6,252	5,992	6,252	6,084
Liontrust UK Equity Fund X Income Shares	<u>3,385</u>	<u>3,424</u>	<u>3,385</u>	<u>3,385</u>
	<u>14,982</u>	<u>13,920</u>	<u>14,917</u>	<u>14,530</u>
 Trophies	 15	 15	 15	 15
	<u>14,997</u>	<u>13,935</u>	<u>14,932</u>	<u>14,545</u>

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, company number 06489067, charity number 1122961) and The Rous Charity (a registered charity number 1068581) are subsidiaries of Racing Welfare.

11. PROGRAMME RELATED INVESTMENTS

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
At 1 January 2023	60	60	59	59
Interest charged	-	-	1	1
Repayment	(60)	(60)	-	-
At 31 December 2023	<u>-</u>	<u>-</u>	<u>60</u>	<u>60</u>

The programme related investments are loans made to Epsom Racing Staff Welfare (ERSW) 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, ERSW. In December 2023 the assets of ERSW were gifted to Racing Welfare and the loan balance repaid.

12. DEBTORS

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Due within one year				
Trade debtors	53	28	78	54
Sundry debtors	11	6	22	-
Due from group charities	-	3	-	1
Due from connected charities	-	-	55	55
Prepayments and accrued income	668	540	787	607
	<u>732</u>	<u>577</u>	<u>942</u>	<u>717</u>
 Sundry debtors due after more than one year	 22	 22	 22	 22
	<u>754</u>	<u>599</u>	<u>964</u>	<u>739</u>

Sundry debtors due after more than one year consist of secured loans of £22k (2022: £22k). These loans, made for charitable purposes, are secured by legal charges over property.

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Trade creditors	269	186	432	263
Taxation and social security costs	63	51	60	51
Sundry creditors	34	28	52	51
Accruals and deferred income	254	178	406	265
Pension contributions	15	13	15	13
Due to group charities	-	13	-	448
Mortgages for housing due within 1 year	40	-	40	-
	<u>675</u>	<u>469</u>	<u>1,005</u>	<u>1,091</u>

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

	Group 2023 £'000	Charity 2023 £'000	Group 2022 £'000	Charity 2022 £'000
Mortgage on Jack Jarvis Close	91	-	92	-
Loan on Summerhill House	1,520	-	1,560	-
	<u>1,611</u>	<u>-</u>	<u>1,652</u>	<u>-</u>
Analysis of mortgage repayable by instalments:				
In less than one year	40		40	
Between one and two years	41	-	41	-
Between two and five years	124	-	122	-
After five years	1,487	-	1,489	-
	<u>1,692</u>	<u>-</u>	<u>1,692</u>	<u>-</u>

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

A new loan was taken out in 2018, secured against Summerhill House, Howard de Walden Way, Newmarket. The loan bore interest of 3.55% up to July 2023 and subsequently bears interest at 2.35%above Bank of England base rate. It is repayable over a period of 10 years from 2018 at £40k p.a.

RACING WELFARE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

15.STATEMENT OF FUNDS

GROUP	At 1 January 2023 £'000	Income £'000	Expenditure £'000	Gains / (losses) £'000	Transfers £'000	At 31 December 2023 £'000
General reserve	1,538	2,835	(3,415)	9	108	1,075
Designated funds:						
Income fund	11,292	-	-	505	(250)	11,547
Fixed asset fund	4,103	-	(666)	-	163	3,600
Fixed asset revaluation reserve	2,133	-	(21)	-	-	2,112
Repairs and maintenance fund	146	-	(146)	-	500	500
Extraordinary repairs fund	40	-	-	-	-	40
Total unrestricted funds	19,252	2,835	(4,248)	514	521	18,874
Restricted funds						
Workforce Wellbeing Programme	-	398	(398)	-	-	-
Chaplaincy	-	6	(6)	-	-	-
Middleham	850	-	-	-	(500)	350
CATS	5	-	(5)	-	-	-
Beneficiaries holiday fund	50	30	(50)	-	-	30
YP Housing in Newmarket	69	-	(26)	-	-	43
Henry Cecil Open Weekend	-	35	-	-	-	35
IMO Tim Jones MHFA	2	-	-	-	-	2
Epsom Racing Staff Welfare	32	36	(23)	-	(45)	-
Life Skills for the Young	-	29	(19)	-	(10)	-
Bloodstock Outreach	-	43	(29)	-	-	14
JPF targeted grants	-	56	(56)	-	-	-
JPF Community Engagement	-	442	(334)	-	-	108
Young Person Support Officer	-	25	-	-	-	25
2024 Malton OD	-	5	-	-	-	5
Beneficiaries in Berkshire	-	6	-	-	-	6
Sustainability	-	5	(3)	-	-	2
Epsom Fund	-	1,080	(2)	-	-	1,078
BBR assets fund	1,876	-	-	44	-	1,920
Housing for racing people	6,429	-	(143)	-	37	6,323
HfRP Revaluation Reserve	380	-	-	-	(3)	377
Total restricted fund	9,693	2,196	(1,094)	44	(521)	10,318
Endowment Funds						
Housing for racing people	830	-	(18)	-	-	812
	830	-	(18)	-	-	812
Total funds	29,775	5,031	(5,360)	558	-	30,004

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YEAR ENDED 31 DECEMBER 2023

15.STATEMENT OF FUNDS: CONTINUED

GROUP	At 1 January 2022 £'000	Income £'000	Expenditure £'000	Investment gains / losses £'000	Transfers £'000	At 31 December 2022 £'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 Time Jones MHFA	7	2	(7)	-	-	2
Occupational Health	58	390	(448)	-	-	-
Wellbeing Programme Management	-	47	(47)	-	-	-
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)	-	-	-
Elderly 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 2023

15.STATEMENT OF FUNDS: CONTINUED

CHARITY	At 1 January 2023 £'000	Income £'000	Expend- iture £'000	Gains / losses £'000	Transfers £'000	At 31 December 2023 £'000
General reserve	882	1,302	(2,200)	-	1,013	997
Designated funds:						
Income fund	11,119	-	-	487	(967)	10,639
Fixed asset fund	1,832	-	(465)	-	(36)	1,331
Total unrestricted funds	13,833	1,302	(2,665)	487	10	12,967
Restricted funds						
CATS	5	-	(5)	-	-	-
Workforce Wellbeing Programme	-	398	(398)	-	-	-
Chaplaincy	-	6	(6)	-	-	-
Beneficiaries holiday fund	50	30	(50)	-	-	30
YP in Newmarket	69	-	(26)	-	-	43
Henry Cecil Open Weekend	-	35	-	-	-	35
IMO Tim Jones MHFA	2	-	-	-	-	2
Middleham	350	-	-	-	-	350
Epsom Racing Staff Welfare	32	36	(23)	-	(45)	-
Life Skills for the Young	-	29	(19)	-	(10)	-
Young Person Support Officer	-	25	-	-	-	25
Bloodstock Outreach grant	-	43	(29)	-	-	14
JPF targeted grants fund	-	56	(56)	-	-	-
JPF Community Engagement	-	442	(334)	-	-	108
Welfare Officer North West	10	-	(10)	-	-	-
Beneficiaries in Berkshire	-	6	-	-	-	6
Sustainability	-	5	(3)	-	-	2
2024 Malton Open Day	-	5	-	-	-	5
Epsom fund	-	1,080	(2)	-	45	1,123
BBR assets fund	1,877	-	-	44	-	1,921
	2,395	2,196	(961)	44	(10)	3,664
Total funds	16,228	3,498	(3,626)	531	-	16,631

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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

15.STATEMENT OF FUNDS: CONTINUED

CHARITY	At 1 January 2022 £'000	Income £'000	Expend- iture £'000	Investment gains / losses £'000	Transfers £'000	At 31 December 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 Newmarket	-	27	(27)	-	-	-
Mental Health Industry Lead	-	6	(6)	-	-	-
JPF targeted grants	-	134	(134)	-	-	-
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)	-	-	-
Elderly in Yorkshire	2	2	(4)	-	-	-
Rank Foundation	-	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

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 unrestricted investment funds 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.

Workforce Wellbeing Programme

This restricted fund is for grants and donations towards the Workforce Wellbeing Programme.

Chaplaincy Fund

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

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 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.

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.

Bloostock Outreach

A grant from the Gerald Leigh Charitable Trust to fund the new position of Engagement and Outreach Officer (Bloodstock and Breeding Industry).

Targeted grants fund

Funded by the John Pearce Foudnation to provide grants to those working in racing that continue to be financially affected by the effects of the Covid-19 pandemic and the increased cost of living.

Community Engagement

The John Pearce Foundation has provided funding to establish and grow Racing Welfare’s Community Engagement team. This includes activities with working staff and retired staff as well as increasing participation and engagement within racing communities and growing our volunteer base.

Young Person Support Officer

A grant from MacDonald Buchanan Charitable Trust contributing towards the Young Person Support Officer role that supports young people living in MacDonald Buchanan House, Newmarket - a Racing Homes property.

Malton Open Day

Donations towards the running of the 2024 Malton Open Day.

Beneficiaries in Berkshire

A grant to fund activities with beneficiaries based in Berkshire.

Sustainability

A grant to be used towards the costs associated with reaching our environmental goals.

Epsom Fund

This represents the assets received from Epsom Racing Staff Welfare in December 2023 to be used in the Epsom area.

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.

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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 2023 £'000
Fixed assets	9,055	16,798	4,866	30,719
Net current assets	2,075	146	(1,325)	896
Long-term liabilities	-	(1,611)	-	(1,611)
	<u>11,130</u>	<u>15,333</u>	<u>3,541</u>	<u>30,004</u>
CHARITY				
Fixed assets	1,921	11,970	2,224	16,115
Net current assets	1,743	-	(1,227)	516
Long-term liabilities	-	-	-	-
	<u>3,664</u>	<u>11,970</u>	<u>997</u>	<u>16,631</u>

GROUP	Endowment & Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total Funds 2022 £'000
Fixed assets	9,135	17,087	4,272	30,494
Net current assets	1,388	46	(501)	933
Long-term liabilities	-	(1,652)	-	(1,652)
	<u>10,523</u>	<u>15,481</u>	<u>3,771</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>

RACING WELFARE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023

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 dependents. All subsidiaries share the registered office address with the group.

	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.	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Income	-	-	1,058	1,118
Expenditure	-	-	(1,263)	(1,102)
Investment gains			18	-
Net (loss) / profit	-	-	(187)	16
Fixed assets	-	-	13,649	13,153
Current assets	5	5	383	1,241
Liabilities	-	-	(1,825)	(2,001)
Net assets	5	5	12,207	12,393
Funds/capital and reserves:				
Unrestricted funds	5	5	5,256	4,703
Restricted funds	-	-	6,951	7,704
	5	5	12,207	12,407
	The Rous Charity			
Basis of consolidation	Controlled by Racing Homes as sole trustee.			
Activities and objectives	Provision of almshouses.			
	2023	2022		
	£'000	£'000		
Total income	86	68		
Total expenditure on charitable activities	(84)	(85)		
Investment (losses)/gains	9	(44)		
Net movement in funds	11	(61)		
Fixed assets	1,205	1,216		
Current assets	218	211		
Liabilities	(15)	(30)		
Net assets	1,408	1,397		
Funds/capital and reserves:				
Unrestricted funds	600	569		
Endowment funds	808	828		
	1,408	1,397		

18. CASH FLOW INFORMATION**a) Reconciliation of net income for the year to net cash flow from operating activities**

	2023 £'000	2022 £'000
Net income / (expenditure) for the year	229	(2,282)
Donated assets from Epsom Racing Staff Welfare	(850)	-
(Gains) / losses on investments	(558)	1,599
Depreciation and amortisation	346	353
Loss on disposal of fixed assets	156	-
Impairment of fixed assets	274	-
Decrease / (Increase) in debtors	211	(3)
(Decrease) / Increase in creditors	(330)	288
Net cash inflow from operating activities	<u>(522)</u>	<u>(45)</u>

b) Analysis of net debt

	At 1 January 2023 £'000	Cash flow £'000	Non- cas flows £'000	At 31 December 2023 £'000
Bank	974	(155)	-	819
Bank loans	(1,692)	41	-	(1,651)
	<u>(718)</u>	<u>(114)</u>	<u>-</u>	<u>(832)</u>
Borrowings				
Debt due within one year	(40)	41	(41)	(40)
Debt due after one year	(1,652)	-	41	(1,611)
	<u>(1,692)</u>	<u>41</u>	<u>-</u>	<u>(1,651)</u>

19. CONTINGENT LIABILITIES

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

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

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

20. OPERATING LEASE COMMITMENTS

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

	Group		Charity	
	2023 £'000	2021 £'000	2023 £'000	2022 £'000
Leases which expire:				
Within one year	33	48	28	40
Within two - five years	9	41	9	36
More than five years	-	1	-	1

During the year £46k (2022: £52k) lease payments were expensed to the SOFA.

21. SUBSEQUENT EVENTS

In 2023 the charity entered into an agreement to purchase a plot of bare land in the town of Middleham, Yorkshire, for £150k. The transaction completed on 22 February 2024.

In April 2024 the charity agreed to the sale of Hill House in Middleham. The sale completed on 8 July 2024 for £680k (£670k net of fees and disbursements).

22. CONNECTED CHARITIES

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

	2023 £'000	2022 £'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 £26k (2022: £208k).

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 £78k (2022: £88k). The value to the Charity is £63k (2022: £61k).

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 £443.4k (2022: £191k).

22. CONNECTED CHARITIES (continued)

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

	2023 £'000	2022 £'000
Racing Welfare (Enterprises) Limited	(5)	(5)
Racing Homes	(8)	(443)
The Rous Charity	3	1
The Jockey Club	(39)	(86)
Jockey Club Estates	(23)	(135)

23. ULTIMATE CONTROLLING PARTY

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

24. FINANCIAL INSTRUMENTS

	2023		2022	
	Group £'000 £	Charity £'000 £	Group £'000 £	Charity £'000 £
Financial assets:				
Equity instruments measured at fair value	14,981	13,920	14,917	14,531

RACING WELFARE

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 DECEMBER 2023****25. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR YEAR ENDED
31st DECEMBER 2022**

	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Endowment funds 2022 £'000	Total funds 2022 £'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