

## Annual report

Registered charity number 1084787

Registered number 4089376

OSCR Registered number SC043339

Year ended 31 December 2022

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Retraining of Racehorses, also known as “RoR”.

England and Wales: 1084787

Scotland: SC043339

4089376

7<sup>th</sup> Floor, Holborn Gate  
26 Southampton Buildings  
London  
WC2A 1AN

The Board of Trustees for RoR are as follows:

Appointed by

Weatherbys Bank  
Sanders Road  
Wellingborough  
Northampton  
NN8 4BX

Royds Withy King  
Cross Keys House  
27 The Parade  
Marlborough  
SN8 1NE

James Cowper Kreston Audit  
2 Communications Road  
Greenham Business Park  
Greenham  
Newbury  
Berkshire  
RG19 6AB

There are no material restrictions on the operations and investment powers of the charity in pursuance of its charitable obligations.

## Trustees' report

The Trustees (who are also directors of the charitable company for the purposes of the Companies Act) present their annual report together with the audited financial statements of Retraining of Racehorses (the company) for the year ended 31 December 2022. The Trustees confirm that the annual report and financial statements of the company comply with current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Retraining of Racehorses ("RoR") is a charitable company limited by guarantee and governed by its Memorandum and Articles of Association dated 9 October 2000, as amended by special resolutions dated 10 January 2001, 29 April 2003 and 11 November 2004.

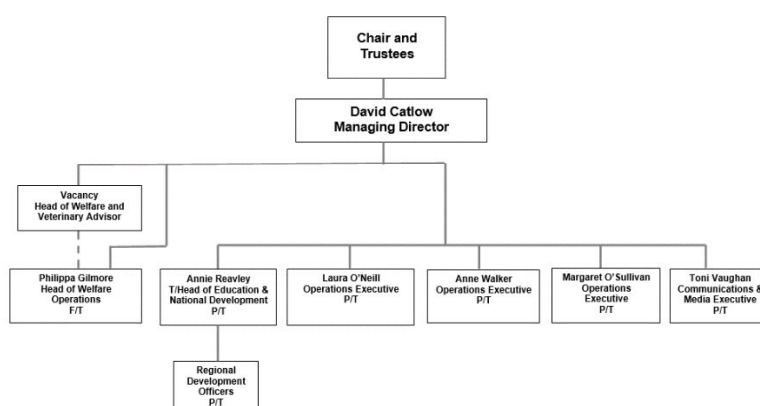
Under the Articles of Association, the Trustees are appointed to serve a 2 year period, which is renewable. The Trustees of the charitable company are also the directors of the company for the purposes of the Companies Act 2006. RoR is governed by a Board of six Trustees, one each nominated by the National Trainers Federation ("NTF"), the Racecourse Association Limited ("RCA"), the Racehorse Owners Association Limited ("ROA"), the Thoroughbred Breeders Association ("TBA") and two by the British Horseracing Authority Limited ("BHA"). The charity is also able to appoint up to two non-voting independent trustees. The BHA has responsibility for appointing the Chairman.

The Trustees at 31 December 2022, who are also members of the company, have undertaken to contribute a sum not exceeding £1 each to meet the liabilities of the company in the event that it is wound up.

New Trustees are fully briefed by the Chairman on their responsibilities as a Trustee under charity law and as a director under company law. They receive an induction pack including copies of the following: the Memorandum and Articles of Association; the latest Trustees' meeting minutes; the most recent statutory accounts and management accounts, including the current budget; the current Trustees' Handbook; and the Charity Commission publication CC3 The Essential Trustee: What You Need to Know. During their first year, all new Trustees visit at least one of the RoR-supported racehorse rehabilitation centres.

The Board of Trustees delegate the day to day management of the charity to its administrative team.

The organisational chart below reflects the structure of the charity in 2023 following the departure of the Chief Executive. The Managing Director is supported by a small team of one full time member of staff and a number of part time staff who all have clearly defined responsibilities as detailed in the 2023 organisation chart below. In addition, Fiona Carlin and Lorna Ewens provide Executive Assistance and accounting services respectively to the Trustee Board. RoR is grateful to the BHA for the donation of their services. The charity's Trustees also give considerable time to RoR and its activities at no cost to the charity.



The Trustees are responsible for the charity's pay policy as well as deciding on the salary of the Managing Director and Chief Executive. In setting the overall pay levels for staff, RoR considers the prevailing pay practice in the wider economy and takes external counsel from the BHA.

The relationship between RoR and other racing industry organisations is outlined under the appointment of Trustees above.

In order to achieve and maintain best practice in corporate governance and acknowledging responsibility for safeguarding the assets in the charity's ownership, the Trustees have appointed senior staff members to be responsible for the areas in which the charity may be exposed to risk. The charity maintains a risk register of the operational, business and environmental risks that might impact on RoR's income and its expenditure plans. This is regularly monitored and reviewed by the Trustees. Key risks for the charity include an economic downturn which would put pressure on RoR's income streams at the same time as potentially leading to an increase in ex-racehorses requiring assistance from RoR. Also, any outbreak of equine disease could result in a cessation of racing with a major impact on the sport and associated equine activities. Cognisant of these risks, the charity keeps a prudent level of reserves which are held in a wide spread of leading Bond and Equity Funds, although they may be subject to market fluctuation and downturns.

The Trustees are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the charity, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The controls over the key financial systems have operated effectively throughout the year. Details of the financial procedures are reproduced in the Trustees' Handbook.

In 2017, RoR undertook a review of its governance in order to comply with the principles of the Charity Governance Code (July 2017). Following this, the Trustees agreed a new Board Code of Conduct and have approved policies for Conflicts of Interest, Safeguarding, Whistleblowing, and Complaints which are reviewed on a regular basis.

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The charity's Objects as stated in its Memorandum of Association are "to promote the welfare and rehabilitation of racehorses and former racehorses which are unwanted or vulnerable to abandonment, abuse, misuse or neglect, or otherwise in need of care and attention, in particular (but without prejudice to the generality of the foregoing) by means of retraining and rehoming". The details of the Education and Training programme for 2022 are covered in this report. The full programme of events for 2023 is available on the charity's website ([www.ror.org](http://www.ror.org)) under regional activities.

The Trustees confirm that they have referred to the Charity Commission's general guidance on public benefit when reviewing the trust's aims and objectives and in planning future activities and setting the grant-making policy for the year.

RoR's long term vision is that horses leaving British Racing progress to a secure future in new homes offering the appropriate skills, resources and facilities, taking as a first priority the welfare of the horses which underpins the key message that racing cares about a life after racing for racehorses on retirement.

To effect its Objects and this vision, the RoR aims are:

- To promote the suitability and use of former racehorses in alternative equestrian activities
- To educate the Racing Industry and the general public as to the options available for racehorses at the end of their racing careers
- To enable the provision of facilities for the reception, maintenance, care, retraining and rehoming of former racehorses

- To support charitable trusts with similar objectives
- To promote the welfare of former racehorses in all respects
- To raise funds from within the Racing Industry and from others to provide for these activities listed above
- To engage with other equestrian sports and associations for the above purposes.

The key objectives for 2022 were to continue the support of the activities of the accredited centres; to expand the targeted promotional and educational programmes; and to continue to encourage the use of ex-racehorses in new occupations. All were achieved.

In 2022 RoR maintained its support of the various accredited charitable centres. The charity's Head of Welfare is responsible for the assessment of all horses in relation to requests for vulnerability grants with grants awarded for horses assessed as meeting RoR's vulnerability criteria.

All grants are subject to the Trustees being satisfied that the organisations' activities continue to further the charitable objectives of RoR.

The charity will also consider programme related investments on a case by case basis when these are in accordance with the charity's objectives.

Working with the Horse Welfare Board, a Retraining Assessment Programme (RAP) was launched that provides support for horses on their first step out of racing. The scheme is designed to provide structured retraining for horses that may be more difficult to rehome due to behavioural or physical concerns. The contract was awarded to HEROS in Oxfordshire. Ongoing monitoring of horses will help us to determine the effectiveness of the programme and the future demand from trainers for supported places.

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The charity's focus and responsibilities are the welfare of thoroughbreds by providing a safety net to ensure any racehorse identified as in need of charitable intervention is suitably and properly cared for. Alongside this is the objective to provide opportunities for former racehorses to enjoy a fulfilling second career, thereby reducing the likelihood of horses bred for racing needing third party care or support.

Education continued to form an integral part of the charity's work and 2022 saw the recruitment of a National Education Officer to oversee the regional education programme. The regional volunteer group under the leadership of the head of national development held regular group meetings online with local retraining coaches to support the members and answer questions on looking after and retraining their horses. These evenings helped keep the regional groups together and share their journey with their former racehorse. In the second half of the year, in order to strengthen our grass roots support for owners of former racehorses, we recruited Regional Development Officers in 6 regions of the UK to provide formal support for members in their region wanting advice on how to retrain and care for their horses.

2022 saw an increase in the number of horses through the Vulnerable Horse Scheme and the Emergency Relief Fund – a total of 54 horses continued to receive support through the scheme. Grant funding of up to £8,000 per horse is available to support those horses admitted to the Vulnerable Horse Scheme (VHS). This funding is paid to the accredited centre or operation looking after the horse.

The demand for former racehorses remains buoyant through RoR's Source a Horse website and continues to be a valuable resource for trainers and owners retiring horses from racing and for prospective owners to find a thoroughbred. A total of 284 horses were listed for sale since the beginning of 2022. At the end of 2022, the membership total of 11,136 horses were actively registered on the RoR website.

Parades continued to provide a valuable opportunity to raising awareness of the Charity at major festivals as well as smaller fixtures where over 80 ex-racehorses had an opportunity to parade to appreciative crowds.

ROR again held a very successful fundraising cricket day at the renowned Wormsley cricket club. In addition to the competitive cricket provided by teams from across racing, owners and supporters of ROR generously raised funds by bidding for a range of lots on the auction.

RoR continued to demonstrate the adaptability of ex-racehorses to across the many disciplines and events as highlighted by the participation levels below.

	2021	2022
Showing	153 classes - over 1,100 entries	293 classes - over 2,150 entries
Dressage	431 entries	402 entries
Eventing	5 events - 67 entries	5 events - 93 entries
National Championships	671 entries	999 entries
Point to Point	15 races - 200 entries	15 races - 152 entries
Showjumping	3 events - 29 entries	3 events - 17 entries
Polo	6 Best Playing Pony prizes	6 Best Playing Pony prizes - Polo Challenge - 15 entries
Hunting	31 entries	36 entries
Parades	9 parades - 58 ex-racehorses	10 parades - 80 ex-racehorses
Education Programme	77 events - 698 participants	91 events - 623 participants
Online Showcase	962 attendees	not held
Source a Horse	204 adverts	284 adverts
Welfare Support (new intake)	28 horses	54 horses

During 2022, RoR received total income from all sources amounting to £1,025,304 (2021: £1,042,809). This excludes the drawdown of £148,538 (2021: £173,523) from the Endowment Fund reserves to the General Fund as permitted under the terms of the gift from the estate of Paul Mellon (see below).

In 2022, RoR received £240,859 (2021: £256,046) from racehorse owners, trainers and jockeys under the Orders of Racing, including £222,609 from owners (2021: £240,316). Although decreased from 2021 levels, this is above 2020 levels which had reductions due to the Covid-19 pandemic and the cessation of racing from mid-March to the end of May 2020. In addition varying donations were received from other parts of the Racing Industry: HBLB, racecourses, Point-to-Points, breeders, transporters, bloodstock agents and auctioneers plus some individual gifts. The 2022 sum received from these additional sectors was £241,427 (2021: £264,419). The charity also received £213,768 (2021: £155,973) in sponsorship and fundraising income which included donations from Lycetts of £4,000 for polo sponsorship (2021: £4,000), £6,000 from the Jockey Club for the ROR awards (2021: £10,000), £10,000 from the Jockey Club for the ROR National Championships (2021: £nil), £1,000 from the Peter O'Sullivan Charitable Trust (2021: £7,000), and £25,000 from Tattersalls for show series sponsorship (2021: £25,000). ROR held one very successful fundraising event in September 2022, Racing to Cricket, generating fundraising income of £162,034 (2021: £106,225). Income from Regional clinics and camps, the Aintree Show, online shows and registrations amount to £124,008 (2021: £81,938). Income from legacies generously bequeathed totalled £5,581 (2021: £13,367).

Total income from investments was £158,596 (2021: £225,730) which was used to support activities either directly through the general and restricted funds or as part of the drawdown from the endowment fund.

During the year, £104,766 (2021: £81,448) was spent on generating donations and grant income and £1,313,476 (2021: £972,003) was spent on the charitable activities of second career educational events for ex-racehorses and charitable grants as outlined in the review of charitable activities. Grants awarded totalled £268,251 (2021: £182,835), for horses meeting RoR's vulnerability criteria and emergency relief. Of this £8,089 (2021: £8,367) was for ERT support. The Charity purchased a bale shredding machine for loan to the New Beginnings Horses charity in 2020 and charged the £3,000 depreciation for the year to the capital fund (2021: £3,000).



The Trustees of the Charity are responsible for setting the broad objectives and constraints for the investment portfolio and appointing appropriate investment managers to look after the portfolio on a day to day basis create an enduring legacy that provides for the charity's future whilst at the same time generating income to support on-going activity.

Under the terms of the Endowment Fund, the charity can transfer up to 5% of the fair market value of the fund each year. This provides for a lasting legacy, preserving capital whilst at the same time generating income to support the work of ROR. To provide a consistent approach across both the General and Endowment funds, the Trustees' have adopted a similar policy of using up to 5% of the income and capital value of the unrestricted General Fund investments to cover any deficit that may arise on general activities. This policy is reviewed by the Trustees on a regular basis in light of the Charity's operating requirements and changes in the economic and market background.

There is no specific income target for the investment portfolio. Income is nevertheless considered an important component of total return, as it is normally more stable than capital and will reduce the need to use capital to cover the annual distribution. The current yield on the portfolio is around 5%, which the Trustees consider an appropriate level in the current market environment.

In order to limit capital risk and volatility, the portfolio is well diversified across asset classes and geographies with a bias toward real assets such as equities to reflect the Charity's long-term real return objective.

Currently, the portfolio is invested in a multi-asset portfolio managed by Brompton Asset Management on a balanced basis targeting a reasonably high level of income.

The asset allocation of the portfolio is regularly reviewed by the Trustees to ensure that the overall asset mix in the investment portfolio reflects the Charity's return objectives and risk tolerance appropriately.

The performance of the managers is monitored on a regular quarterly basis and their appointment will be formally reviewed in the event of significant corporate developments, major administrative issues or sustained poor performance; it will also be reviewed in the event of a change in the Charity's requirements.

In 2019 the Trustees commissioned a review of the both the investment strategy and the investment management which included recommendations on strategic benchmark asset allocations, with performance being measured against a charity peer group benchmark and the management of the total portfolio by a single manager being Brompton Asset Management. These changes were made in 2020. Performance during 2022 saw the portfolio decrease in value which reflected the global markets. These are long-term investments and although the charity supplements its operational income with drawdowns from these, investments are of a sufficient level to maintain this.

RoR's reserve funds comprise (i) unrestricted General Funds arising from accumulated unspent donations that the charity is free to use to fund on-going activities, and (ii) Restricted and Endowment Funds that can only be spent in accordance with the terms set out by the donors.

In 2022 RoR made a loss before transfers on the unrestricted General Fund of £411,840 (2021: £56,786 loss). After transfers from the Endowment Fund of £148,538 (2021: £173,523), a realised loss on the sale of investments of £244,550 (*realised gain* 2021: £66,204) and an unrealised investment loss of £333,074 (2021: *unrealised gain* £273,162) the General Fund decreased from £5,055,069 to £4,214,143.

RoR's Restricted and Endowment funds are comprised of the following:

- This fund was part of a gift from the estate of Paul Mellon in 2001 and is kept in reserve to provide capital grants in accordance with the terms of that gift. In 2020, the charity purchased a Bale Master bale shredding

machine which it loaned to New Beginnings Horses in order to assess the benefits to both horse welfare and staff of using this equipment to provide stable and yard bedding. Depreciation of £3,000 on the capital cost was charged to the restricted fund (2021: £3,000). At 31 December 2022 a total of £96,349 (2021: £110,033) remained in the fund.

- At the end of 2019 the Paul Mellon Foundation awarded the charity a grant towards the development of a welfare database. Incoming resources of £975 were received in 2022 (2021: £1,185). Depreciation of £15,000 has been charged to the fund in 2022 (2021: £15,000). At 31 December 2022 £6,749 remained in the fund.
- The ERT fund was established in 2008 with funds from the ROA. During the year grants totalling £8,089 were awarded (2021: £8,367).
- The Endowment Fund, which was established with a bequest from the estate of Paul Mellon, is professionally managed in accordance with accepted practice for investments on behalf of charities. As at 31 December 2022, the Fund was valued at £2,822,220, compared with £3,297,245 at the end of 2021. This decrease is after the transfer of £148,538 (2021: £173,523) to the General Fund in accordance with the terms of the gift which allow a drawdown of up to 5% of the valuation on an annual basis, thereby providing both income to supplement the annual activity and providing a lasting legacy to secure enduring support for the valuable work of RoR.

Further details of the conditions attached to each fund can be found in Note 16.

The Trustees' policy with regard to reserves is to ensure that there are sufficient General Fund reserves to cover basic annual grant commitments and undertakings, and the charity's core administrative and promotional costs in the event of adverse conditions such as the suspension of racing in Great Britain, or as a result of fluctuations in income caused by continuing economic uncertainty. In addition the charity budgets annually on a breakeven basis, funded in part by a drawdown from the Endowment Fund and unrestricted General Fund reserves.

In addition to continuing the vital work of the vulnerable horse scheme, the regional and national education programmes, and providing events and activities for former racehorses, 2023 will see the RoR undertake a root and branch review of its activities and develop a Vision and Mission so that it is able to progress with a clear strategy to work with industry partners to implement the recommendations of the Horse Welfare Board's Aftercare Funding Review. RoR is committed to investing in the delivery of these recommendation, but longer term, sustainable funding will need to be identified.

### **Statement of Trustees' responsibilities**

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its financial activities for that period. In preparing those financial statements the Trustees are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether the policies adopted are in accordance with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.
- e. observe the methods and principles of the Charities SORP

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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So far as the Trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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In accordance with Section 485 of the Companies Act 2006, a resolution for the re-appointment of James Cowper Kreston as auditors of the company is to be proposed at the forthcoming Annual General Meeting.  
By order of the Trustees

A handwritten signature in blue ink, appearing to read "Philip Green", followed by a horizontal line.

Date: 21 August 2023

## Independent Auditor's Report to the Trustees and Members of Retraining of Racehorses

We have audited the financial statements of Retraining of Racehorses (the 'charitable company') for the year ended 31 December 2022 which comprise the statement of financial activities, balance sheet and notes to the financial statements, including a summary of 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 charitable company's affairs as at 31 December 2022, and of its 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

The other information comprises the information included in the 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 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.

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

- the information given in the trustees' 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 have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the 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.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibility 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 Auditors' 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.

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.

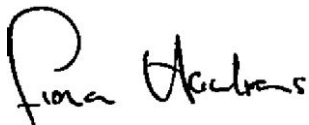
The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of noncompliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

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



Senior Statutory Auditor

For and on behalf of

Statutory Auditor and Chartered Accountant  
2 Communications Road  
Greenham Business Park  
Greenham  
Newbury  
Berkshire  
RG19 6AB

Date: 25 August 2023

for the year ended 31 December 2022

	Notes					2021 Total £
Donations and legacies	2					578,918
Income from charitable activities: Fundraising, grants, sponsorship, registrations, clinic income and fines	3					238,161
Investment Income	4					225,730
						<hr/>
						1,042,809
						<hr/>
Expenditure on charitable activities:						
Grants and educational activities	7					(972,003)
Cost of generating voluntary income	7					(81,448)
						<hr/>
						(1,053,451)
						<hr/>
						(10,642)
						<hr/>
	16					-
						(113,364)
						467,746
						<hr/>
						570,468
						<hr/>
Total funds brought forward		<u>5,055,069</u>	<u>3,297,245</u>	<u>207,101</u>	<u>8,559,415</u>	<u>7,988,947</u>
		<hr/>	<hr/>	<hr/>	<hr/>	<u>8,559,415</u>

All of the above results are derived from continuing operations.

RoR has no recognised gains and losses other than those included in the results above and therefore no separate statement of the total recognised gains and losses has been presented. There is no difference between the net income and expenditure stated above and the historical cost equivalent.

at 31 December 2022

	Note	2021 £
Tangible Assets	10	52,503
Investments	11/12	8,690,864
		<hr/>
		<hr/>
		8,743,367
Debtors	14	79,442
Cash at bank and in hand		99,523
Loans Receivable within 1 year	13	50,000
		<hr/>
		228,965
Creditors falling due within one year	15	(412,917)
		<hr/>
		(183,952)
		<hr/>
Loans Receivable after more than 1 year	13	-
		<hr/>
		8,559,415
		<hr/>
Unrestricted income funds		5,055,069
Endowment funds		3,297,245
Restricted income funds		207,101
		<hr/>
	16/17	8,559,415
		<hr/>
		<hr/>

The financial statements have been prepared in accordance with the Charities SORP FRS 102.

The notes at pages 16 to 28 form part of these accounts

These financial statements were approved by the Trustees on 21 August 2023 and signed on their behalf by:



Chairman of the Trustees



for the year ended 31 December 2022

	£	2021 £
		297,509
Interest income	577	522
Dividends	158,019	225,208
Purchase of property plant and equipment	(41,211)	(1,833)
Sale of investments	3,907,538	4,394,586
Purchase of investments	(3,250,807)	(4,473,399)
	_____	_____
		145,084
	_____	_____
Increase (decrease) in cash and cash equivalents in the year	14,649	(42,863)
		242,325
		199,462
		(10,642)
Depreciation	28,391	36,756
Interest income from investing activities	(577)	(522)
Dividend income from investing activities	(158,019)	(225,208)
Decrease/(increase) in debtors	44,947	(33,394)
Decrease/(increase) in loans receivable	-	(50,000)
(Decrease)/increase in creditors	(129,171)	(14,409)
		297,509
Cash at bank and in hand	135,405	99,523
Notice deposits	78,705	99,939
	_____	_____
		199,462
	=====	=====

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and applicable charity law.

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

### ***Basis of accounting***

These financial statements have been prepared in accordance with the historical cost convention except for fixed asset investments which are recorded at market value. All expenditure is recognised on an accruals basis.

Accounting policies are supplemented by estimation techniques where judgement is required in measuring the value of income and expenditure and of assets and liabilities.

### ***Going concern***

The Trustees believe that the charity is well placed to manage its business risks successfully have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### ***Statement of financial activities***

RoR is a registered charity and so achievements cannot be measured by normal commercial criteria. Accordingly, the Trustees consider that it would be inappropriate to present a profit and loss account in one of the formats set out in the Companies Act 2006. Therefore, as permitted by the Companies Act, in order to reflect the special nature of the company's activities, the Trustees are of the opinion that it would be more appropriate to present a Statement of Financial Activities.

### ***Taxation***

The Trustees believe that no charge to UK corporation tax will arise in respect of the year to 31 December 2022 as all activities of the company during this year were of a charitable nature. As a registered charity, the company is entitled to various exemptions from taxation on income used for charitable purposes.

### ***Income and expenditure***

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income is only deferred where the donor has specified that the amounts received are for use in future accounting periods.

(continued)

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Grants payable are payments made to rehabilitation centres in furtherance of the charitable objects of the charity. 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 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 the grant payable.

Other charitable expenditure represents administrative costs payable for the period. The cost of generating funds represent advertising costs for the general fund and allocated support costs. Support costs are allocated based on management estimates of the time spent on the different activities of the charity.

### **VAT**

As the charity is not registered for VAT, all expenses are shown gross of VAT.

### **Investments and investment income**

All investments are stated at market value and the movement shown in the statement of financial activities comprises both realised and unrealised gains and losses. Investment income is accounted for on a receivable basis.

### **Social Investments**

Social investments are stated at cost less impairment at the year end. Investment in the form of equipment assets are impaired is over the useful life of the investment.

### **Fund accounting**

Funds held by the charity are either:

*General funds* – these are unrestricted free reserves which can be used in accordance with the charitable objectives at the discretion of the Trustees.

*Endowment funds* – these are funds invested by the Trustees and up to 5% of the value of the investment may be used in accordance with the charitable objectives at the discretion of the Trustees. Income earned on the endowment funds is unrestricted. However, in accordance with the endowment bequest, any such income which is unexpended in the year is transferred to the endowment funds.

*Restricted funds* – these are funds that can only be used for the particular restricted purposes within the objectives of the charity. Restrictions arise when specified by the donor or when the funds are raised for particular restricted purposes. Income generated by the restricted fund is attributed to the general fund.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

### **Fund transfers**

The Paul Mellon endowment fund represents bequests from the Paul Mellon estate in December 2001 and a further grant given in May 2015, the terms of which state that RoR may transfer to general funds not more than 5% of the fair market value of the fund each year, at the Trustees' discretion.

**(continued)**

The bequest also states that any investment or interest income earned on the endowment funds which is unexpended in the year should be added to the endowment principal.

#### **Intangible and Tangible fixed assets**

The cost of intangible and tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is provided so as to write off the cost of intangible and tangible fixed assets on a straight line basis over the estimated useful economic lives of the assets concerned. The rates of depreciation are as follows:

Office equipment	3-4 years
Website / database development	4 years
Office furniture	10 years
Vehicles	4 years

#### **Pension scheme**

The charity does not, itself, operate a pension scheme. The BHA operates a pension scheme that employees of the charity are able to join. The defined benefit section of the scheme was closed to future accrual on 31 December 2015 and from 1 January 2016 all employees in the pension scheme were active members of the defined contribution section.

The charity is unable to identify its share of the underlying assets and liabilities of the defined benefit scheme on a consistent and reasonable basis and therefore as required by FRS 102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the statement of financial activities represents the contributions payable to the scheme in respect of the accounting period in which they are paid. The charity continued to pay an amount £1,500 (2021: £1,500) into the scheme in respect of voluntary deficit funding as agreed with the BHA. Amounts of £26,083 (2021: £24,502) were also paid into the defined contribution scheme operated by the BHA.

#### **Donated Services**

Administrative support costs, which are borne by BHA, are recognised as donated services. The amounts in the Statement of Financial Activities represent an allocation of BHA employee salary based on time spent by those employees in administering the charity. Donated services also includes services and facilities provided by racecourses for RoR parades and polo events, and horse testing services provided by the BHA. All amounts are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable.

#### **Legacies**

Legacies are accounted for in whole or in part, is only when receipt is considered probable, the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

#### **Foreign currency**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

(continued)

Exchange gains and losses on investments are recognised in the Statement of Financial Activities.

**Debtors**

Trade and other debtors are recognised at the transaction amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Cash**

Cash at bank and cash in hand includes current account balances and cash held in deposit accounts.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the investments which are subsequently measured at market value.

In determining if leases entered into by the charity are finance or operating leases, the lease has been assessed to determine whether the risks and rewards of ownership have been transferred to the lessor by the lessee on a lease by lease basis.

Tangible and intangible assets are capitalised when the asset is deemed to have a useful life in excess of one year. Assets are then depreciated over what is assessed as their useful economic life.

Incoming resources are derived from industry funding and self generating sources.  
Interest income all relates to bank interest.

	2021 £
- Owners	240,316
- Racecourses	143,600
- HBLB	28,618
- Trainers	11,070
- Jockeys	4,660
- Hunter certificates	1,449
- Point to Point Authority	3,240
- Breeders (in addition to sponsorship)	14,700
- Other	72,812
	<hr/> 520,465
	13,367
	45,086
	<hr/> 578,918
	<hr/> <hr/>

**(continued)**

	2021 £
Fundraising grants and sponsorship	155,973
Registration and clinic income	81,938
Fines	250
	<hr/> 238,161

	2021 £
Dividends	225,208
Interest received	522
	<hr/> 225,730
	<hr/> <hr/>

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The Trustees received no emoluments or benefits in kind in respect of their services to the charity during the year (2021: nil). Total expenses incurred on behalf of Trustees during the year were £nil (2021: £nil). £2,348 was incurred in respect of meeting costs and other expenses (2021: £2,733).

Indemnity insurance is provided for the Trustees under a policy held by BHA, the proportion of which relating to RoR is not separately identifiable and has therefore not been included in the charity's accounts.

	2021 £
Salaries and wages	289,448
Social security costs	29,628
Pension costs	24,547
	<hr/> 343,623
	<hr/> <hr/>

Administrative support costs are borne by BHA and in 2022 these amounted to £41,065 (2021: £39,916).

The number of employees who received emoluments between £90,000 and £100,000 was 1 (2021: £90,000-£100,000 1), this includes pension benefits accruing under a defined benefit scheme.

The key management personnel of the charity comprise Trustees, the CEO and Managing Director. The total employee salary, pension and benefits in kind of the key management personnel were £132,098 (2021: £95,069)

(continued)

The average monthly head count was 10 (2021: 7).

	Cost of generating voluntary income £	Investment management fees £	Charitable activities Promotion of ex- racehorses in 2 <sup>nd</sup> careers £	Vulnerable Horse Scheme £	Governance costs £	2021 Total
Grants and assessment	-	-	-	378,910	-	312,626
Event management	-	-	459,221	-	-	276,557
Audit fee	-	-	-	-	11,292	9,720
Investment management	-	48,244	-	-	-	45,397
Trustees expenses and meeting costs	-	-	-	-	2,348	2,733
<hr/>						
Staff costs	23,572	-	247,503	23,572	20,533	255,107
Travel costs & car leasing	-	-	11,357	11,357	-	16,251
Website	7,789	-	7,790	7,790	-	33,063
Advertising	454	-	453	453	-	570
Professional fees	-	-	-	-	53,351	23,551
Equipment Depreciation	960	-	959	959	-	2,393
Pension Deficit Funding	500	-	500	500	-	1,500
Fundraising event costs	58,299	-	-	-	-	38,200
Other office costs	13,192	-	13,192	13,192	-	35,783

(continued)

This is stated after charging:

	2021
	£
Depreciation	36,756
Auditor's remuneration:	
Audit fees	9,720
Additional fees	-
	<hr/>

The number and value of grants given to organisations in pursuit of the objectives of the charity are as follows.

	2021 Number	2021 £
Heros	14	9,000
Greatwood	6	56,500
New Beginnings Horses	26	39,826
Grange Farm	3	3,500
World Horse Welfare	7	12,000
Frederick A Cook Partnership	5	8,500
Victoria Cartmel	2	2,000
Horses & Ponies Protection Association	6	7,000
Peopleton Brook Farm	3	1,500
Sophie Spiteri	-	-
Racehorse Relief	4	6,000
Retreat Livery (J A Clark)	1	1,000
Racehorse Rescue Centre	4	4,000
The British Thoroughbred Retraining Centre	6	14,745
Claire Hart Equine	2	2,500
The Racehorse Sanctuary & Rehabilitation Centre	1	2,000
Justo Development Ltd	1	500
Jody Sole	-	-
Impel Equines	-	-
Grants to 3 <sup>rd</sup> parties for emergency relief, vet fees and transport	31	12,264
	<hr/>	<hr/>
	122	268,251
		<hr/>
		182,835

All grants paid in 2022 have been awarded on the basis of RoR's vulnerability criteria.



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<b>Cost</b>					
At beginning of year	22,322	153,966	4,164	43,956	224,408
Additions	22,456	-	473	18,282	41,211
Disposals	(2,765)	-	-	-	(2,765)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	42,013	153,966	4,637	62,238	262,854
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At beginning of year	19,801	106,082	2,066	43,956	171,905
Charge for year	2,386	24,545	460	-	27,391
Disposals	(2,765)	-	-	-	(2,765)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	19,422	130,627	2,526	43,956	196,531
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book amount</b>					
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 01.01.2022	2,521	47,884	2,098	-	52,503
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
All fixed assets are held for charitable purposes					

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	Money Market & UK Cash £	Global Equities £	Fixed Income Corporate & Treasury Bonds	Property £	Mixed Asset Funds £	
Market Value at 1 January 2022	86,935	5,854,835	907,227	213,205	1,620,162	8,682,364
Add: acquisitions	-	2,543,356	707,451	-	-	
Less: disposals at opening book value	-	(2,962,719)	(731,614)	(213,205)	-	
Add: net gain/(loss) on revaluation	-	(382,793)	(1,584)	-	(175,223)	
Add: net movement in cash	(2,621)	-	-	-	-	
Add: dividends	(18,609)	-	-	-	-	
Less: accrued fees	1,568	-	-	-	-	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The following listed investments were considered by the Trustees to be material to the portfolio at the year end:

	2022 Value £	2022 Portfolio %	2021 Value £	2021 Portfolio %
Brompton Global Income P	1,444,939	19	1,620,162	19
FIL Investment Services (UK) Ltd	539,292	7	347,681	4
Man Fd Mgmt UK Man Glg UK Inc Prof D Inc	525,896	7	529,440	6
Liontrust Fund Partners LLP Special Situations Inc	463,503	6	530,396	6
Vanguard Investment Series Global Bond	363,654	5	-	-
Ishares VII PLC Core S&P 500 units ETF USD	348,581	5	383,005	4
Guinness Asset Management Funds PLC	313,896	4	-	-
KBA Consulting Management Ltd	294,314	4	261,640	3
Ishares II Plc USD Treasury Bd 7-10yr	288,661	4	-	-
Matthews Asia Funds Asia Ex Japan	258,300	3	317,401	4
Artemis Fund Managers Income	223,755	3	232,144	3
Polar Capital Funds Global Technology	192,888	3	282,393	3
Vulcan Global Value Fund PLC	-	-	610,014	7
Blackrock Fund Manager Ltd European Dynamic FD	-	-	502,572	6
Other holdings	2,109,987	29	2,965,847	34
	<hr/>		<hr/>	
	<u>7,367,666</u>		<u>8,582,425</u>	
Cash	78,705	1	<u>99,939</u>	1
Total portfolio	<u>7,446,371</u>	100	<u>8,682,364</u>	100

(continued)

	2021 £
Programme related investment	8,500
	<u>8,500</u>
	<u>8,500</u>

The charity purchased a Balemaster straw shredding machine at a cost of £12,000. The value of £5,500 is after a cumulative impairment charge of £6,500. This is on loan to New Beginnings Horses.

	2021 £
Amounts due within 1 year	
Loans Receivable	-
Amounts due in greater than 1 year	
Moorcroft	100,000
BTRC	133,000
Greatwood	10,000
Provision	(193,000)
	<u>50,000</u>
	<u>50,000</u>

An interest free loan of £50,000 was provided in 2021 to BTRC. This was due for repayment on 31 December 2022.

	2021 £
Amounts due within 1 year	
Prepayments and accrued income	79,442
	<u>79,442</u>
	<u>79,442</u>

	2021 £
Accruals and trade creditors	412,917
	<u>412,917</u>
	<u>412,917</u>

(continued)

	Opening balance £	Incoming resources £	Outgoing resources £	Loss on investments £	Transfers £	
General fund		960,909	(1,372,749)	(577,624)	148,538	
ERT fund		975	(8,390)	(6,017)	-	
Paul Mellon capital projects fund		1,950	(3,600)	(12,034)	-	
Paul Mellon welfare database		975	(15,300)	(6,017)	-	
Paul Mellon endowment fund		60,495	(18,203)	(368,779)	(148,538)	
<b>2021</b>	<b>Opening balance £</b>	<b>Incoming resources £</b>	<b>Outgoing resources £</b>	<b>Gain on investments £</b>	<b>Transfers £</b>	<b>Closing balance £</b>
General fund		949,122	(1,005,908)	339,366	173,523	
ERT fund		2,032	(8,367)	5,245	-	
Paul Mellon capital projects fund		2,639	(3,532)	6,808	-	
Paul Mellon welfare database		1,185	(18,239)	3,058	-	
Paul Mellon endowment fund		87,831	(17,405)	226,633	(173,523)	

The unrestricted General Fund represents free reserves and can be used in accordance with the charitable objectives at the discretion of the Trustees.

The *Paul Mellon endowment fund* represents bequests from the Paul Mellon estate in December 2001 and May 2015, the terms of which state that the RoR may transfer to general funds not more than 5% of the fair market value of the fund each year. The Trustees transferred £148,538 of the bequest to general funds during the year (2021: £173,523). Under the terms of the bequest, any unexpended income earned on the endowment funds should be added to the endowment principal at the end of the year. In the year ended 31 December 2022, £60,495 was added to the endowment principal (2021: £87,831).

Also, included within the movement in funds during the period is a realised loss of £156,131 (2021: realised gain £44,212) and an unrealised loss of £212,648 (2021: unrealised gain of £182,421).

The *Paul Mellon capital projects fund* was funded by a bequest from the Paul Mellon estate in December 2001. The terms of the bequest state that it must be used to build, acquire or improve structures, equipment and other facilities to be used for the care and maintenance of retired thoroughbred racehorses. The fund was used in 2020 to purchase a Balemaster bale shredder at

(continued)

a cost of £12,000 for use by New Beginnings Horses under RoR's social investment policy. The depreciation charge in 2022 was £3,000 (2021: £3,000).

The *Paul Mellon welfare database fund* is donation provided for the development of a welfare database. During the year £15,000 depreciation on the capitalised development costs was charged to the fund (2021 £15,000).

The *Emergency Relief for Thoroughbreds fund* (ERT) was established in 2008 with the transfer of the ERT funds from the Racehorse Owners Association. During the year grants of £8,089 (2021: £7,958) were made from the fund.

Fixed assets	39,023	-	27,300
Investments	4,497,308	2,822,220	132,343
Cash at bank and in hand	135,405	-	-
Other assets	84,495	-	-
Current liabilities	(542,088)	-	-
	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>

At 31 December 2022 the Company had total commitments under non-cancellable operating leases as follows:

	2022 Land and Buildings	2022 Vehicles	2021 Total
	£	£	£
Expiring			
within one year	17,609	4,711	23,968
between two and five years			
inclusive	70,435	7,245	84,654
over five years	73,370	-	90,980
	<hr/>	<hr/>	<hr/>
	161,414	11,956	199,602
	<hr/>	<hr/>	<hr/>

The members of the Company have undertaken to contribute a sum not exceeding £1 each to meet the liabilities of the company in the event that it is wound up.

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The company has transacted with the following related parties, all of which are related by virtue of one of their employees, appointments, or directors being a director of the company.

Details of sales and recharges to and administrative expenses incurred from related parties are detailed below

	Sales sponsorship & donations	Good & services supplied from
	2021	2021
Aintree Racecourse Developments	-	20,719
British Horseracing Authority	38,866	371,447
Chester Race Company Ltd	1,500	-
Point to Point Authority Limited	3,240	10,154
Musselburgh Racecourse Limited	2,600	-
Thoroughbred Breeders Association	8,375	-
BRS Education Limited	-	-
British Champions' Series Limited	-	-

Related party transactions included in year end debtors and creditors were as follows;

	Receivables outstanding	Creditors outstanding
	2021	2021
British Horseracing Authority	-	326,648
Point to Point Authority Limited	-	11,154
BRS Education Limited	-	-

The charity held one fundraising event in 2022 and there was £2,000 income from two Trustees and their related parties as a result (2021: £2,000 2 Trustees).

RoR is controlled by its Board of Trustees. Accordingly, there is no single individual that can, or does, exert control over the charitable company.