

Racing Homes

England & Wales · Charity number 1122961

Details

Other names	THE STABLE LAD'S WELFARE TRUST HOUSING ASSOCIATION LIMITED
Status	Registered
Legal form	Charitable company
Company number	06489067
Registered	2008-02-26
Register	View on the Charity Commission register

Contact

Address	Racing Welfare 20b Park Lane Newmarket CB8 8QD
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Website	www.racingwelfare.co.uk

Activities

Objects: TO CARRY ON FOR THE BENEFIT OF THE COMMUNITY THE BUSINESS OF PROVIDING HOUSING AND ASSOCIATED AMENITIES FOR PERSONS IN NECESSITOUS CIRCUMSTANCES UPON TERMS APPROPRIATE TO THEIR MEANS AND TO PROVIDE FOR AGED PERSONS IN NEED THEREOF HOUSING AND ANY ASSOCIATED AMENITIES SPECIALLY DESIGNED OR ADAPTED TO MEET THE DISABILITIES AND REQUIREMENTS OF SUCH PERSONS

Activities: Provision of affordable housing principally for those working in, or retired from, the horseracing and thoroughbred breeding industry.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** The Prevention Or Relief Of Poverty, Accommodation/housing
- **Who:** Children/young People, Elderly/old People, Other Defined Groups

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, SUFFOLK, BERKSHIRE AND SUSSEX.
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,746,380	£1,436,117	£12,537,191	6
2023-12-31	£1,058,976	£1,263,191	£12,207,040	6
2022-12-31	£1,117,773	£1,102,042	£12,393,172	6
2021-12-31	£1,110,804	£896,807	£12,377,477	5
2020-12-31	£1,632,571	£911,151	£12,163,491	5

Trustees

Name	Role	Appointed
Eileen Jordan		2025-06-09
JOHN WILLIAM MARSHALL BARLOW		2019-06-13
Nicholas William Ayrton Bannister		2024-06-26
SIMON RICHARD HOPE		2018-07-05
Simon Stockley		2023-06-19

Racing Homes

England & Wales - Charity number 1122961

Accounts



RACING HOMES

Report and Financial Statements

31 December 2024

Registered charity number: 1122961

Company registration number: 06489067

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LEGAL AND ADMINISTRATIVE DETAILS

TRUSTEES AND DIRECTORS

Simon Hope (Chair)

Nicholas Bannister (appointed 26 June 2024)

Sir William Barlow

Craig Gasper

Patrick Russell

Simon Stockley

EXECUTIVE

Dawn Goodfellow - Chief Executive

Wendy Botterill - Director of Housing

REGISTERED OFFICE

Robin McAlpine House

20B Park Lane

Newmarket

Suffolk

CB8 8QD

SOLICITORS

Taylor Vinters

Merlin Place

Milton Road

Cambridge

CB4 0DP

AUDITORS

Price Bailey LLP

Tennyson House

Cambridge Business Park

Cambridge

CB4 0WZ

BANKERS

Barclays Bank Plc

58 High Street

Newmarket

Suffolk

CB8 8NM

CHAIR'S STATEMENT

Our Chair, Simon Hope, reflects on 2024

It is my pleasure to present the Chair's Report for the financial statements of Racing Homes once again. This year has been one of both challenge and opportunity as we navigate an increasingly complex operating environment while remaining committed to our mission of providing high-quality, affordable housing for those in need.

The past 18 months has been shaped by a number of external challenges, particularly rising inflation, which has had a significant impact on our operating costs. Increased costs for materials, labour, and utilities have placed pressure on our financial resources, requiring careful management to ensure that we continue to provide safe and sustainable housing.

Additionally, we have made a substantial investment in our existing housing stock, part of a multi-year property maintenance plan requiring some £400k annually. This investment has been essential to maintain and improve the quality of our properties, ensuring they remain fit for purpose and meet the evolving needs of the racing industry.

At the same time, we recognise the importance of protecting our most vulnerable tenants from the impact of rent increases. As financial pressures grow, we remain committed to ensuring that our rental policies balance financial sustainability with the need to provide secure, affordable housing for those most at risk. This will continue to be a key consideration in our strategic planning moving forward.

We continue to consider our growth opportunities which include finding a partner to develop our potential site in Middleham, Yorkshire. Our goal is to provide high-quality housing for young people and retired individuals, addressing critical gaps in the housing market whilst providing much needed community facilities.

I would like to extend my sincere gratitude to our Board of Trustees, staff, volunteers, and other stakeholders for their unwavering dedication and hard work. Your efforts have been instrumental in navigating the challenges of the past year and positioning our charity for future success.

I have now served the maximum term of six years as Chair and as I prepare to step down from my role in June, whilst looking forward to serving my final term on the committee, I want to express my appreciation for the privilege of serving Racing Homes. It has been an honour to work alongside such a dedicated team, and I am confident that the Charity will continue to thrive under Patrick Goulding's leadership.



Simon Hope, Chair

TRUSTEES' REPORT

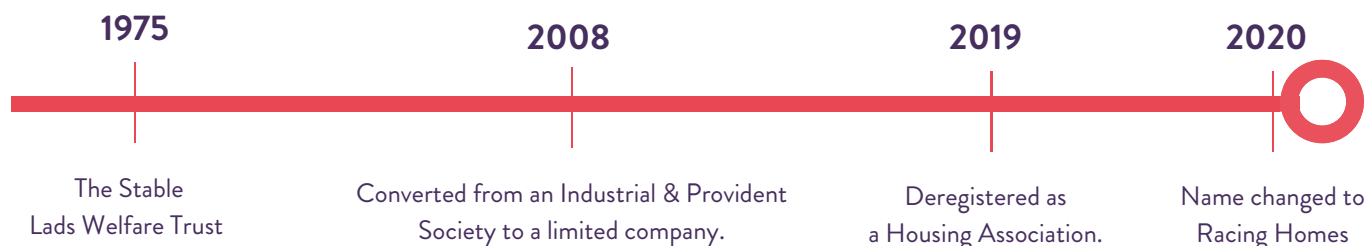
Objectives and Activities

The Trustees present their annual report and the audited financial statements of the charity for the year ended 31 December 2024 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 Homes is the wholly owned subsidiary of Racing Welfare and the two charities work very closely together, both operationally and via their aligned charitable objectives. Racing Homes shares senior management resource and some of its trustees with Racing Welfare. Operationally it has its own fantastic team of employees.



WHAT WE DO

The principal activity of the charity is the provision of housing to those in necessitous circumstances. Racing Homes' objects, as described formally in its governing document, are to provide affordable housing and associated amenities to those people that need it. In particular, the charity has a focus on providing specially designed or adapted living facilities for those retired beneficiaries who require them due to disability.

Racing Homes manage a housing stock of 165 units (2023: 165) of accommodation. Six of these units are owned by Racing Welfare (as a result of a merge with Epsom Racing Staff Welfare in 2023) and 13 by Racing Homes' subsidiary charity, The Rous Charity. In addition, Racing Homes has nomination rights to schemes of retirement properties across Newmarket and Kingsclere.

The whole portfolio is broken down into schemes. Each scheme houses either retired beneficiaries, young people or working staff. In more recent years the Trustees, in reviewing which group of the racing community had the greatest need for access to affordable housing, decided to transition away from housing working staff and focus on young and retired.

TRUSTEES' REPORT

Objectives and Activities continued

Today, the majority of the portfolio provides housing for these two beneficiary groups:

Young People – 23% of the portfolio

This decision was made due to the difficulty faced by young people who work in horseracing in accessing affordable, safe accommodation. Horseracing employs a relatively high proportion of young people. For many, this can mean the first time they are living away from home. For our young person's accommodation we deem and accept applications for housing from persons aged 18 – 24 years.

We are fortunate to have a dedicated Young Person Support Officer to provide support to our young tenants, many of whom are living away from home for the first time.

Research has shown that a relatively high attrition rate from the industry, by people in this group, can often be attributed to the experiences encountered outside of their employment. Providing schemes of accommodation where young people can be supported in their transition to independent living, has been shown to improve retention and well-being. In 2022 the charity took the reluctant decision to cease housing under 18's. The provision of safe and good quality housing for this age group remains essential. However, Racing Homes is unable to provide the level of care and support within its existing resource to meet the expectations and safeguarding needs for those deemed as children. This policy change was communicated to trainers, British Horseracing Authority (BHA), British Racing School (BRS) and National Horseracing College (NHC).

Older People – 70% of the portfolio

The competition for social housing is fierce, particularly in many of those areas densely populated by horseracing businesses. Racing Homes commissioned a housing needs survey in 2015 which established that, due to the location of the racing centres, there is a lack of availability of suitable housing and in all cases, house prices are very high. Our older person schemes provide independent living to those over 55 years of age.



TRUSTEES' REPORT

Objectives and Activities continued

Working Staff – 7% of the portfolio

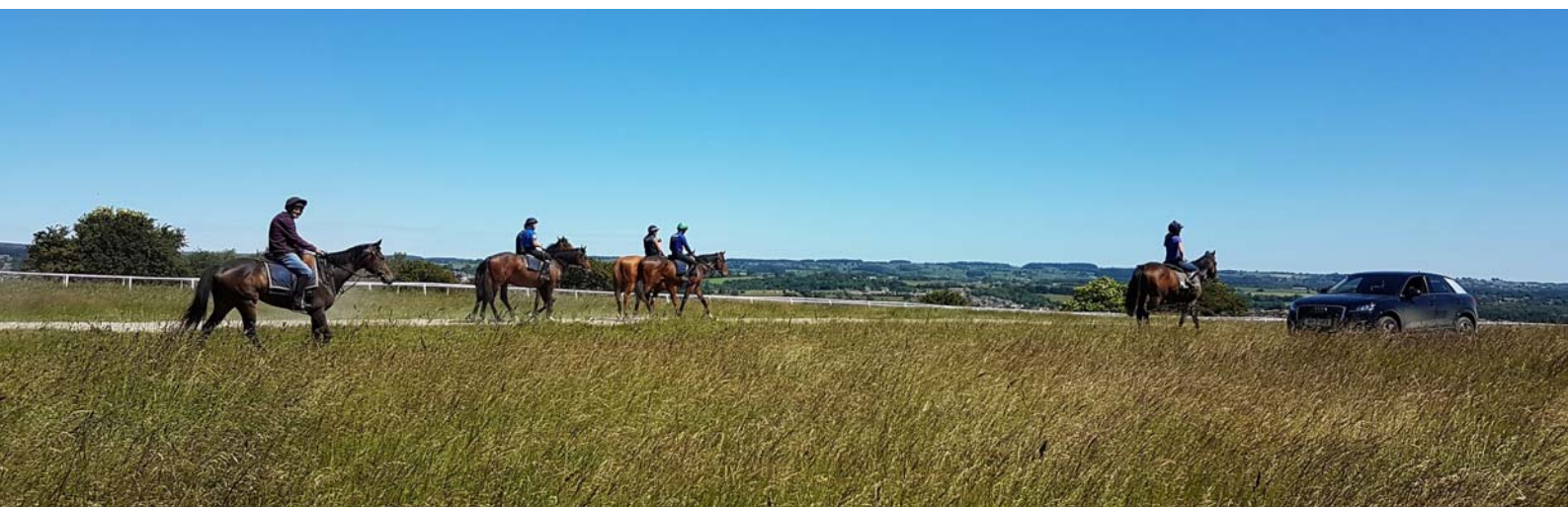
This percentage has decreased over the last five years and now only two schemes still remain dedicated to working staff. While we have focussed our housing stock on young people and our retired community, we continue to assess the demand of working staff accommodation in all racing centres.

In 2023 Racing Welfare merged with Epsom Racing Staff Welfare, a charity with similar objects, based solely in the racing hub of Epsom. The charity owned two three-bedroom houses and these properties now sit within Racing Welfare. They will continue to be managed by the Racing Homes team.

A number of our properties have disabled living adaptations and the Racing Homes team work closely with welfare officers from Racing Welfare to ensure that tenants' needs are monitored, and any special adaptations or equipment is installed. Our tenant needs can change, so we also facilitate transfers between properties, allowing our tenants to remain independent and stay in their homes for as long as possible.

Affordability is a key part of the charity's objects and the trustees have bench-marked and consulted with both the housing and welfare teams at Racing Welfare, in order to set rent levels. Many of our tenants receive statutory benefits which subsidise or fulfil rental values up to Local Housing Allowances. For young people, Local Housing Allowance rates have been evaluated by the welfare team as affordable for those on standard age-related wage rates in the industry. As such the trustees agreed to transition to Local Housing Allowance rent rates over a 10 year period from 2019. Existing tenants rent have therefore been gradually increasing and immediate increases are applied on new tenancies, which are subject to affordability testing prior to sign up. Whilst affordability of our rents is always at the forefront of our minds so is ensuring we have sufficient income to maintain our homes providing good quality and safe homes.

The Trustees continue to look at expanding the property portfolio in those areas with the greatest need. Quality, affordable housing for all of racing's workforce, which is estimated at up to 20,000 people, is not something that can realistically be achieved by a portfolio and charity of this size. However, the Charity continues to seek opportunities to grow and support the racing industry so that all racing's workforce have access to quality, safe and affordable housing. This can only be achieved by working closely with key stakeholders in the industry and local communities.



TRUSTEES' REPORT

Objectives and Activities continued

WHERE WE DO IT

Whilst there is a concentration of racing industry staff in the main horseracing training centres shown on the map, racing businesses and their employees can be found throughout the UK. The collaboration with Racing Welfare, who geographically cover the entire country, enables Racing Homes to support and advise the workforce on general housing issues, regardless of whether they are a current tenant.

The Trustees referred to the guidance contained on 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, they have considered how planned activities will contribute to the aims and objectives of the charity and remain confident that they continue to satisfy the statutory requirements - albeit that the charity limits the services it provides to those working in, the horseracing and thoroughbred breeding industry.



TRUSTEES' REPORT

Achievements and Performance

ACHIEVEMENTS AND PERFORMANCE

WHAT WE HAVE ACHIEVED

In 2024 the 165 (2023: 165) units in the portfolio housed 191 (2023: 173) tenants. There were 41 (2023: 55) new lets in the year. One unit of accommodation was fully refurbished (2023: 4).

Whilst we continue with a refurbishment programme when our homes are relet, full elemental upgrades such as kitchen, bathroom and heating systems have been carried out only where the condition is beyond economic repair, or it has reached the end of its lifecycle. This is so available funds can be fairly distributed to the maintenance and upgrade of our homes, including those already tenanted in alignment with our asset investment strategy and planned work programs. When we let our homes these are let to a good standard which includes all appropriate repairs, maintenance and partial elemental replacements where needed.

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



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE HAVE ACHIEVED (continued)

Middleham

We are continuing to explore options to increase housing provision in Middleham. Previously, we owned Hill House, a Grade II listed property located in the heart of the town. In 2018, Racing Welfare purchased the property with plans to develop a multi-purpose facility for the community. However, in August 2024, we made the decision to sell the property in order to pursue a more suitable opportunity for our housing plans, also within the town centre. In February 2024, we completed the purchase of a new plot of land on Park Lane and have already begun the process of applying for planning permission. Alongside the land is a community facility, Middleham Key Centre, run by the Middleham Town Council. We are working closely with them, and the local community, on plans to maximise the impact of the new development, including increasing use of that facility. In 2024, we successfully established the Middleham Committee, comprising key local stakeholders. While their initial focus has been on the future of the Key Centre, the committee will also play a vital role in assessing the needs of the racing industry in relation to proposed developments as these plans progress. Additionally, it will serve as a conduit for engaging with the local community, helping to strengthen collaboration and ensure new developments align with local needs.

Lambourn

Racing Homes continues 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 previously acquired an agreement to purchase a property with a parcel of land in the centre of the village, conditional on achieving planning. Following a very challenging and long planning process which was further impacted by the rules imposed in relation to nutrient neutrality, a significant rise in build costs and the associated impact on land prices, Racing Homes trustees made the decision the proposed plans were no longer viable for the charity. We remain committed to expanding our portfolio in Lambourn and Racing Welfare continues to support the wellbeing of the industry through its broad range of services.



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE HAVE ACHIEVED (continued)

Louanna's Story

Caring for Newmarket's racehorses on behalf of some of the industry's most prestigious trainers is all in a day's work for apprentice farrier Louanna Lean. While learning her trade and embracing the opportunities her profession provides, Louanna has received valuable support from Racing Welfare as she establishes herself in the industry.

Louanna has been honing her skills at various yards across the Newmarket area while also attending college in Warwickshire. "I'm really enjoying my apprenticeship, but it has been challenging trying to make it as a young woman in a profession traditionally dominated by men", she said.

Housing has been one of Louanna's biggest challenges, and that's where Racing Homes has stepped in. The charity provided her with safe, high-quality accommodation at MacDonald Buchanan House in Newmarket, offered at affordable rates. The recently renovated scheme consists of 18 fully furnished flats designed for 18 to 24-year-olds starting their careers in the horseracing industry. Residents also benefit from dedicated support for our young people, funded by Racing Welfare.

"I've lived at MacDonald Buchanan House since February 2024, and I can't fault it", Louanna said. "It's great to have my own space. Before moving here, I was renting rooms from private landlords, which meant limited personal space and frequent moves when properties were sold. "It was difficult to settle and make friends, but living at MacDonald Buchanan House has helped me in so many ways. It's given me the confidence to live independently, learn to cook, and take better care of myself. Rachel, the Racing [Homes] Young Person Project Officer, has been incredibly helpful whenever I've needed assistance. The weekly room checks keep me accountable for cleanliness, and if anything needs fixing, she takes care of it right away. Overall, I can't recommend this place enough."

Originally from Kent, Louanna acknowledges the peace of mind her living arrangements provide to her family. "Being away from home and learning to live independently is tough, but knowing that I'm looked after really helps my mum."

Rachel Carson, Young Person Project Officer, said: finding stable, affordable housing—especially in the private rental sector—can be incredibly difficult. MacDonald Buchanan House offers a great stepping stone for young people who need a secure place to live while working in the industry. We encourage any young people or their employers to get in touch to see how we can help."

TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE HAVE ACHIEVED (continued)

In 2023, we conducted a customer survey to collect feedback from our tenants. We continue to embrace the latest Tenant Satisfaction Measures (TSMs) outlined by the Regulator of Social Housing. These measures are derived from the pledges outlined in The Charter for Social Housing Residents: Social Housing White Paper. Although we are not obligated as a charitable housing provider to adopt these measures, we believe it is important to align ourselves as closely as practical with the standards set in the social housing sector given our common social purpose to provide good quality and safe homes.

We received favourable feedback across several aspects of our service. For instance, 97% of our tenants expressed satisfaction with the services provided by Racing Homes and 94% indicated satisfaction that their homes are well maintained. Notably, there was unanimous contentment among our tenants regarding their sense of safety when thinking of the condition of the property or building. Additionally, 97% felt that Racing Homes positively contribute to their neighbourhood. We were delighted to note that our tenants feel well informed about matters important to them, with 94% finding us easy to deal with. Moreover, we received over 90% satisfaction with our repair, internal and external services such as cleaning and grounds maintenance.

Acting on the feedback received we expanded our tenant engagement opportunities in 2024 with warm hubs in each communal areas of our Newmarket properties. Providing a warm space for residents to meet and join in activities supported by a fantastic community volunteer. We continue to offer our tenants the opportunity to engage with us through an annual program of resident meetings and to accompany the Housing Officer on estate inspections. For the second year we have also offered rent roadshows following the issuing of rent increase notices.

In April 2024 the Complaint Handling Code became a statutory requirement. The Code sets out best practice for landlords to effectively handle complaints. Although not a registered provider and therefore not mandated to adhere to the code, Racing Homes voluntarily signs up as a member because we believe it is essential to meet these high standards and demonstrate accountability.

To meet the regulatory requirement of the Housing Ombudsman's Complaint Handling Code, Racing Homes is committed to providing a fair, transparent, and accessible complaints process that enables residents to raise concerns easily and with confidence. This commitment involves having a clear, simple, and well-publicised procedure for handling complaints promptly and effectively, with a focus on early resolution. A dedicated member of our housing team as well as a committee member of our board has been appointed to oversee complaint handling, ensuring accountability and continuous improvement. In 2024 we undertook our first self-assessment to prepare for the requirements of the Complaint Handling Code to ensure compliance and identify areas for enhancement. In line with the code's requirements, in 2025 we publish our complaint performance annually, sharing insights on volumes, outcomes, and lessons learned. By adhering to the Complaint Handling Code, we aim to build trust, enhance accountability, and deliver better outcomes for our tenants.

TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE HAVE ACHIEVED (continued)

For the period 1st January to 31 December 2024, we received 6 new complaints. These were responded to within timescale in accordance with our complaints policy. Of the complaints received, two related to property services and repairs, one pertained to rent, service or other charges, two were related to tenancy matters and one classified as other. Of the six complaint one complaint was upheld, there were no complaints made to the Housing Ombudsman. As a result of the complaints the following learning and changes were made as of a result of the complaints made:

- Improved process for our contractors when working in an environment where they may create dust near fire systems, to prevent false activations.
- Our unacceptable behaviour policy was updated.



TRUSTEES' REPORT

Achievements and Performance continued

HOW WE ACHIEVED IT

Racing Homes shares senior management team resource with Racing Welfare. The Director of Housing oversees the day to day running of the charity reporting into the Chief Executive, with support from the Chief Operating Officer. For our capital projects work we are supported by the Group Property Team at the Jockey Club. Racing Homes, in partnership with Jockey Club Estates, the National Stud and Racing Welfare share a full-time Health and Safety Officer. This was a new position created within The Jockey Club in November 2023 and which has been a significant support for the Racing Homes team during that first year.

Racing Homes finance function is provided by the Racing Welfare finance team. Racing Homes has its own accounts assistant who reports into the Finance and Operations Director of Racing Welfare, who in turn reports into the Chief Operating Officer. Welfare support and advice is provided by Racing Welfare's Welfare Team headed up by the Director of Welfare Programmes. Fundraising for capital projects in Racing Homes is provided by Racing Welfare's fundraising team, headed up by the Head of Partnerships and Fundraising.

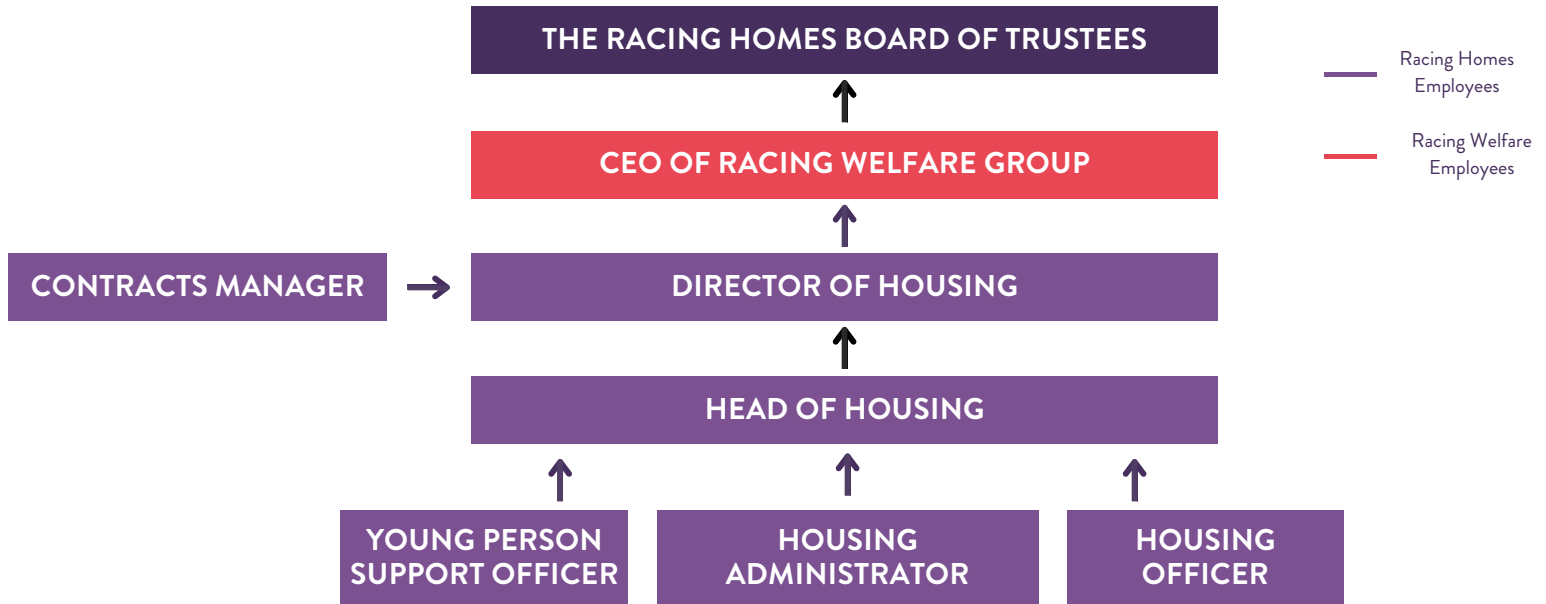
In addition to the close association with Racing Welfare's Welfare Team, Racing Homes employs a Young Person Project Officer. They are on hand to check in with the residents, giving guidance and carrying out reviews. These cover a range of topics such as debt and budgeting, health, people, support, choices and behaviour. The focus is on providing residents with life skills to live independently and be able to sustain a tenancy in private housing once their two year stay comes to an end with us. The emphasis is on providing holistic support to enable them to thrive in both their home and work lives. This post was part-funded in 2024 by a grant from the MacDonald Buchanan Charitable Trust.



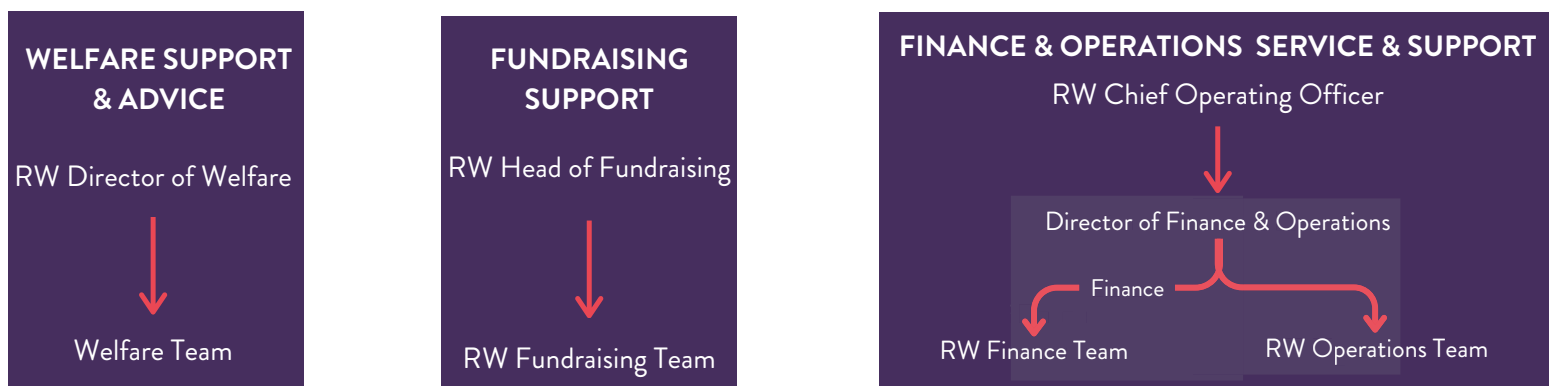
TRUSTEES' REPORT

Achievements and Performance continued

HOW WE ACHIEVED IT (continued)



Support Services Provided by Racing Welfare



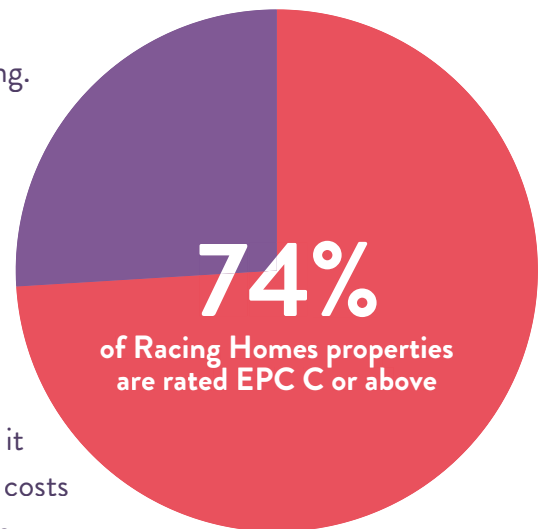
TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE PLAN TO DO NEXT

In 2024 a series of strategy days with the Executive and Trustees were undertaken to review the long-term financial sustainability of Racing Homes and its ability to impact and contribute to improvements in the wider industry relating to housing.

As a small residential housing provider with limited financial resources, Racing Homes faces several challenges. In 2024 a series of strategy days with the Executive and Trustees were undertaken to review the long-term financial sustainability of Racing Homes and its ability to impact and contribute to improvements in the wider industry relating to housing. As a small residential housing provider with limited financial resources, Racing Homes faces several challenges in ensuring it can fund the maintenance and repair of its homes in the future. Rising costs affecting both the charity and our tenants. The government's agenda to enhance energy efficiency, and the additional complexities of maintaining aging and grade-listed properties all contribute to this challenge.



In 2024, we conducted property condition surveys of our homes. This information will be used in 2025 to shape future maintenance programs and gain a clearer understanding of the long-term health of our properties and the financial commitment required.

The government's decarbonisation strategy aims for the UK economy to achieve net zero carbon emissions by 2050, which will significantly impact the housing sector. In 2024, we took initial steps to gather essential energy data and engaged an external consultant to measure our current carbon footprint. This report provided an overview of the carbon emissions from Racing Homes' business activities, along with recommendations to enhance data quality and reduce emissions over time.

Racing Homes' initial focus is on meeting regulatory requirements for minimum energy efficiency standards (MEES regulations), which currently mandate that properties achieve an Energy Performance Certificate (EPC) rating of at least E. However, the government has proposed raising the minimum EPC standard to C by 2030. Currently, 74.15% of Racing Homes properties are rated EPC C or above, which exceeds the national average.

In 2025, we will continue maintenance programs, including upgrades to heating and hot water systems and improved insulation, prioritising properties with lower energy ratings. We will also carefully evaluate solutions for properties that are challenging to upgrade, such as listed buildings. As we carry out this work and assess our approach for properties unlikely to meet the 2030 EPC standard, we will defer finalising our commitment to Net Zero until we have a clearer understanding of our financial capabilities.

TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE PLAN TO DO NEXT (continued)

A key focus for the team in 2025 will be reducing the time our properties remain vacant between tenancies. We have seen a decline in the number of applicants on our letting waiting lists, and as a result homes have been empty for longer. Whilst our decision in 2023 to withdraw from housing under 18-year-olds can explain some of the delays, it does not account for a similar phenomenon across our older person schemes. Working closely with industry stakeholders, including West Suffolk Council, to understand the reasons behind this trend will be essential. We will also explore ways to effectively promote our available homes and consider alternative letting strategies which will be critical to enhancing operational efficiency.

Our bi-annual tenant satisfaction survey will be undertaken in 2025. When last carried out in 2023 our Young People (18 to 24 years) did not engage. As we embark on this survey our Young Person Support officer has been tasked with encouraging responses to the next survey, planned for May 2025.

The safety of our tenants in their homes remains of paramount importance to us. Significant time and resource has been spent ensuring we have robust compliance practices in place to ensure we comply with all relevant legislation.

In 2024, we strengthened our health and safety practices to ensure the safety of our homes and estates. This included conducting fire risk assessments by an external assessor across all housing schemes with internal communal areas. In 2025, we will again conduct fire risk assessment reviews, ensuring regular independent inspections of our building environment and practices. Racing Homes completed its fire safety upgrades identified in previous assessments, so there will be no formal fire safety upgrades program in 2025. However, a dedicated budget has been retained to address any urgent safety work identified.

Trustees have continued to recognise the importance of investing in our properties, agreeing further allocation of funds in 2025 for planned maintenance work programs. The trustees have considered the housing association's ability to finance this programme of works and it recognises that a history of maintaining rent rates at social housing levels, without the benefit of government grant funding, has left the charity with insufficient reserves to deliver these works. This is why it is imperative that the trustees maintain their decision made in 2019, to move rents to those aligned with Local Housing Allowance (LHA) rates over a 10 year period. In the interim the housing association is reliant on the option to request an annual grant from Racing Welfare for the difference between rent charged and what would have been charged at LHA rates. Racing Welfare provides this grant on the basis that it would prefer a gradual increase for its beneficiaries to ease the impact of any increased living costs. Unfortunately, due to the funding challenges in Racing Welfare the grant was not provided in 2023 which significantly contributed towards the reporting deficit in the current year.

TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE PLAN TO DO NEXT (continued)

Plans to further enhance our digital services following the introduction of a text messaging service by launching a tenant portal in 2024 have been delayed. Many of our tenants have expressed they either lack the means or prefer not to engage digitally. Therefore, we remain firmly committed to engaging and communicating with our tenants through letters and in-person interactions, while continuing to explore digital options for those who prefer them. In 2025, we will focus on gathering data to better understand our tenants' needs, guiding future initiatives to deliver relevant and meaningful digital services.

Gaining planning permission in Middleham and investigating new opportunities in Lambourn will remain a priority for the housing team who continue to carefully assess the risks associated with development as well as revisiting budgets and costings. We hope in 2025 to move towards making a full planning application for the Park Lane development in Middleham.

Financing our projects is still an area of focus for the team, along with planning how Racing Homes can work towards Racing Welfare's vision: that all of Racing's people feel supported and have the opportunity to thrive. The provision of housing is an important tool in supporting Racing Welfare's mission to enhance and support the wellbeing of the Racing's people Racing Homes purpose is to provide affordable, safe, and pleasant accomodation that we'd live in ourselves how we best continue to deliver this will be considered alongside Racing Welfare's strategic priorities in 2025 at both Executive/Senior and Trustee strategy days.



TRUSTEES' REPORT

Financial Review

OUR FINANCIAL PERFORMANCE

Our Income

The total income for the year was £1,746.4k (2023: £1,059.0k), the increase due to restricted grants received from Racing Welfare towards the project in Middleham (£570k) and the planned maintenance programme (£121k).

Income from housing activities increased by 10.6% in 2024 (2023: 2.5%). The effect of the charity's policy of adopting Local Housing Allowance-based rents for new tenants in refurbished properties alongside a general rent rate increase of 5% contributed to this, despite continued high void rates.

Our Expenditure

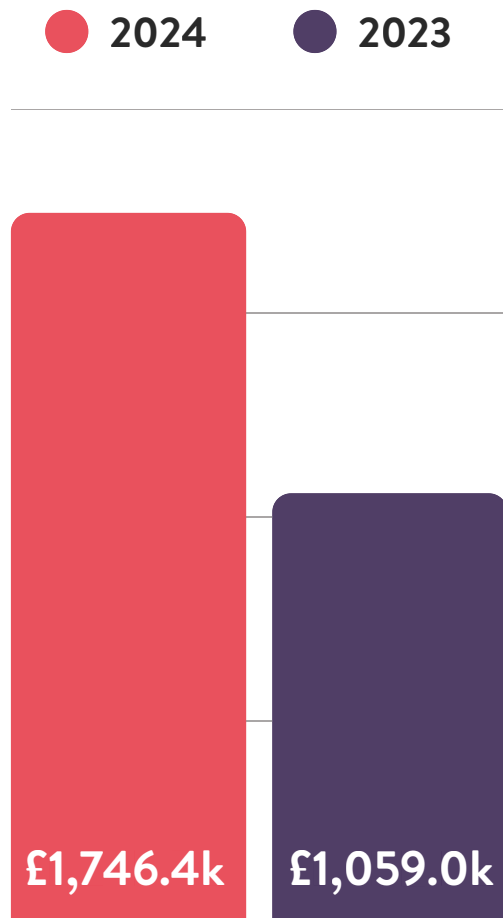
Expenditure in the year increased from £1,263.2k in 2023 to £1,436.1k. The Charity has seen increased management costs as roles have been filled permanently this year in addition to seeing professional fees increase as we had a stock condition survey undertaken late in the year. Loan interest increased this year as we refinanced the loan secured against Summerhill House at a higher rate that we benefited from for first five years.

Net income for the year before investment gains was £310.3k (2023: net expenditure of £204.2k).

Balance Sheet

The restricted grant of £570k from Racing Welfare to Racing Homes in December 2024 resulted in a total cash balance at the end of the year of £1,108.3k (2023: £217.8k). Racing Homes also temporarily holds any short-term cash surpluses of Racing Welfare in a high interest account, which is reflected in the balance due to Racing Welfare within creditors.

The decrease in investments from £665.7k to £536.6k is due to the Charity drawing down £150.0k of capital to fund the planned maintenance programme.



Total Income

TRUSTEES' REPORT

Financial Review continued

Managing our Reserves

Racing Homes holds reserves for the purpose of owning, maintaining and developing the housing portfolio. As at 31 December 2024 the charity held total reserves of £12.5m (2023 - £12.2m). Unrestricted funds amounted to £4.9m (2023 - £5.3m) and restricted funds were stated at £7.6m (2023 - £6.9m). Within the unrestricted funds are £4.5m (2023 - £4.9m) of designated funds which represents £222.1k of investments earmarked to fund short- to medium-term major repairs with the balance being the net book value of fixed assets and associated liabilities that are not classified as restricted. The designated fund will be expended in line with the amortisation of the properties represented by the fund.

Restricted funds represent properties which have been transferred to Racing Homes with a restriction imposed relating to the requirement to house individuals working in or retired from the horseracing and breeding industry along with funds received towards future developments. Also within restricted funds is £570.1k and £121.6k from Racing Welfare for the future Middleham development and charity-wide planned maintenance respectively.

The charity has a reserves policy, in line with its parent, to keep six months of property management costs in free reserves. This is estimated at £450k. Free reserves, represented by the revenue reserve, are £471.6k as at 31 December 2024 (2023 - £375.6k).

Going Concern

The trustees have considered whether there are any material uncertainties about the charity's ability to continue as a going concern.

With the need to invest in the long-term maintenance of our housing stock, a requirement to spend approximately £400,000 per year has been identified by the Director of Housing and Contracts Manager. This will be funded in part by the gradual increase in rents to LHA levels in conjunction with the annual grant applications to Racing Welfare.

The Trustees note that the charity is forecast to require an additional £100k income or cost savings per year to become financially self-sustaining. However, as a strategy is developed to address this it has sufficient funds to continue at the same level of activity and investment for at least the next 3 years.

The majority of housing income is received from retired beneficiaries (74%) and a significant number of these people will be in receipt of state pension and/or benefits. Tenants facing hardship are able to access support through Racing Welfare. The Charity's forecasts cover a period of 12 months from the approval of this report and no issues were identified that would give rise to a going concern risk.

TRUSTEES' REPORT

Financial Review continued

Principal Risks and Uncertainties

Racing Homes 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. Racing Homes is included under Racing Welfare in terms of risk management and 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.

Set out in the table below are the principal risks that are specific to Racing Homes 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 but these risks are not listed here due to their generic nature or because they, by nature, are not within our power to control or mitigate e.g. changes in the economy

Risk Description	Risk Mitigation
<p>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 adopts Racing Welfare's 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 HR staff undergo Safer Recruitment training.</p>
<p>Non-compliance with electrical, gas and fire safety requirements:</p> <p>Failure to comply with safety requirements could lead to serious harm to tenants and property</p> <p>This is included due to the inherent risk of being a landlord, holding a portfolio of residential housing.</p>	<p>Fire risk assessments are conducted at all schemes, with recommended servicing and in house testing regimes of fire equipment/ systems in place. The Housing Team with the assistance of Racing Welfare personnel regularly check communal areas for good housekeeping. Annual PAT testing is conducted where appropriate in communal shared facilities along with five year fixed-wire testing. The central housing management software triggers compliance reminders in addition to internal management systems that monitor compliance activity and actionable safety tasks.</p>
<p>Stock deterioration</p> <p>Tenant, staff injury or detriment to health sustained from deterioration of housing stock or sub-standard housing as well as risk of reputational damage associated with such a failing.</p>	<p>Racing Homes has committed to providing housing of a high standard. We have appointed a new position of Property and Contracts Manager to implement a long-term asset management plan, overseen by the Director of Housing. The housing team continue to forge a close relationship with Jockey Club Estates to ensure immediate repairs are carried out quickly and safely.</p>

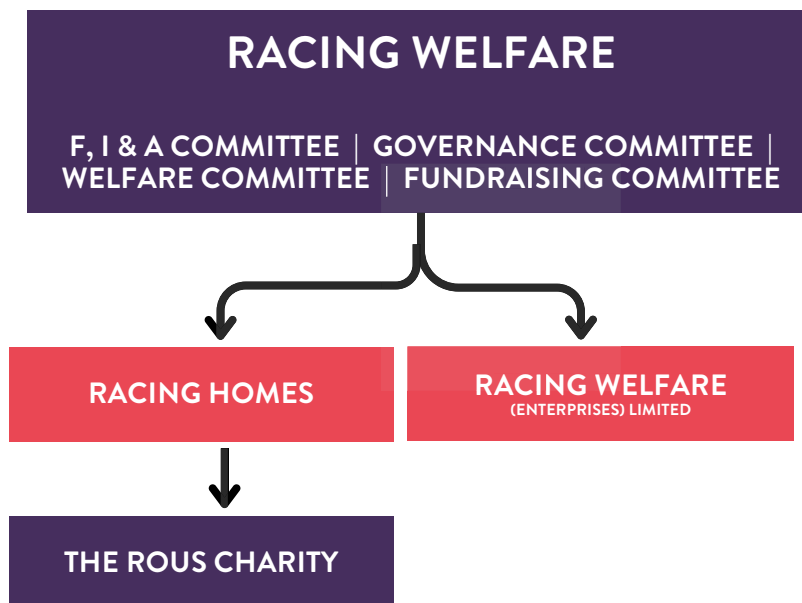
TRUSTEES' REPORT

Governance and Structure

Our Governance, Structure and Management Group Structure

Racing Welfare is the sole member of Racing Homes. Racing Welfare is a company limited by guarantee (company registration number 04116279) and a registered charity (charity registration number 1084042). Racing Homes is the sole trustee of The Rous Charity (charity registration number 1068581).

The entire group benefits from the senior leadership team who all but the Director of Housing sit within Racing Welfare. The other group charities benefit from the advice and guidance of all of Racing Welfare's sub committees.



For details on the terms of reference for each committee please refer to Racing Welfare's consolidated financial statements.

Racing Homes is constituted as a company limited by guarantee, with governance arrangements set out in the charity's Memorandum and Articles of Association.

The Trustees have fully adopted the Charity Governance Code which is overseen by the Governance Committee – itself a product of a review of the code. Numerous improvements have been implemented as a result of the work generated by the new committee. Reviews of the charity's performance against the Charity Governance Code provide 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 and additional expertise on the various committees across the group.

In 2024 we prepared for the next recruitment drive for which involved reviewing our board skills audit and identifying the skills gaps. This is following the successful recruitment of three new Committee Members to the Racing Homes Board early 2024. In addition, we undertook the recruitment process for replacing our Racing Homes Chairman who will be officially appointed in June 2025. He is undergoing an extensive induction period to ensure that there is a smooth handover from our outgoing Chair. We also reviewed our annual Trustee appraisal process, introduced two years ago, which provides a platform once a year for Chairs to discuss and support their Committee Members in their roles.

TRUSTEES' REPORT

Governance and Structure continued



Trustees

The maximum number of trustees permitted is 15, and a minimum of 3. During 2024 the Charity's articles were updated to align with Racing Welfare. Now, Trustees are appointed to serve 3 year terms, with a maximum of three terms each. This is in line with the Charity Governance Code that imposes a maximum term of 9 years except where the permanent retirement would have a clear detrimental impact on the charity. A Trustee can sit as Chair for a maximum 6 years. All trustees are also directors. Two trustees are also trustees of Racing Welfare. The Racing Homes board is joined by four committee members who are not trustees.

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. The position of Chair is specifically recruited for by the same open process, but has a shorter but very intense induction period prior to formal appointment. 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.

TRUSTEES' REPORT

Governance and Structure continued

Employment Practices and Pay

Racing Homes, as part of the Racing Welfare group of charities, is developing our 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. Racing Welfare's Director of Welfare Programmes is developing a group-wide D&I strategy which will be completed in 2025.

All salaries for Racing Homes employees are benchmarked against salary rates across other similar organisations. The Director of Housing is part of the housing association benchmarking group, Acuity, and has created a staffing structure and remuneration rates that are competitive and fair.

All salary rates are proposed to the Finance, Investment and Audit Committee in Racing Welfare which approves any changes as part of the annual budget process. 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. During the year remuneration received by key management personnel of Racing Welfare (including Racing Homes) totalled £407k (2023: £407k).

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. The senior management team has an ongoing agenda of reviewing the wellbeing of the workforce, introducing new initiatives, consulting with employees and undertaking specific training to improve leadership, all with the aim of maximising employee potential and satisfaction.

In 2024 we undertook a staff survey via the Jockey Club. The results were encouraging 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. There is work to do on internal communication and collaboration between teams and there is concern over there being uneven workloads across the group. We also identified the need to help provide more development opportunities. The group's Operational Management Team supported by the Staff Partnership Forum will be addressing these in 2025.

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. The Racing Welfare group aims to host two staff forums per year where all staff meet for a programme of training and strategy setting. Racing Homes is also a member of National Housing Federation that also offers additional learning and training opportunities and several of the team are Chartered Institute of Housing members.

Employee Health and Safety training is delivered by The Jockey Club's health and safety online training programme, iHasco. This provides relevant, quality training as well as providing efficient monitoring.

TRUSTEES' REPORT

Governance and Structure continued

Fundraising

The charity does not undertake fundraising. All fundraising is carried out by Racing Welfare and any funds collected for projects which are to be delivered by Racing Homes are transferred via a restricted grant. Full details on the fundraising policies and practices of Racing Welfare are contained in the group consolidated financial statements.

No activities are undertaken by the Charity or by any person on behalf of the Charity for the purpose of fundraising, and in particular no professional fundraiser or commercial participator have carried on any such activities.

Neither the Charity nor any person acting on behalf of the Charity was subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising, in respect of activities on behalf of the Charity. In light of this, there was no failure to comply with a scheme or fundraising standard, and there was no requirement for any monitoring of activities carried on by any person on behalf of the Charity for the purpose of fundraising. No complaints have been received by the Charity or a person acting on its behalf about activities by the Charity or by a person on behalf of the Charity in connection with fundraising.

Whilst the trustees are aware and supportive of the need to protect vulnerable people and other members of the public from any fundraising activities that potentially puts people at risk, as the Charity does not undertake any fundraising, the trustees are confident that no one was put at risk from inappropriate fundraising activities of the Charity.

Environmental

The Racing Welfare group is committed to improving its impact on the environment. 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 annual collation of energy data in conjunction with the Jockey Club.

Racing Homes is developing a strategy which, if successful, will naturally significantly contribute to a reduction of its carbon footprint. The strategy will continue to progress during 2025.



STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Racing Homes for the purposes of company law) are responsible for preparing the Trustees' 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company 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 so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

The Auditors, Price Bailey LLP, 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 5th June 2025 and signed on its behalf:



Simon Hope (Chair)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RACING HOMES

Opinion

We have audited the financial statements of Racing Homes (the 'charitable company') for the year ended 31 December 2024, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2024, 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.

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'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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 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.

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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RACING HOMES

Other information (continued)

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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 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 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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 or from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement set out on page 23, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RACING HOMES

Responsibilities of trustees (continued)

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 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 company and how it operates and considered the risk of the charitable company not complying with the applicable laws and regulations, including fraud, and in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the charity, this included data protection, employment law and financial reporting.

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 grant income, and the depreciation policies of fixed assets.**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RACING HOMES

Auditor's responsibilities for the audit of the financial statements (continued)

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, 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: 19 June 2025

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2024

	Note	Unrestricted funds 2024 £'000	Restricted funds 2024 £'000	Total funds 2024 £'000	Total funds 2023 £'000 (note 21)
INCOME FROM:					
Donations and legacies		1.1	730.4	731.5	143.5
Charitable activities - Housing income		1,000.3	-	1,000.3	904.3
Investments		14.6	-	14.6	5.9
Other income		-	-	-	5.3
TOTAL INCOME	2	<u>1,016.0</u>	<u>730.4</u>	<u>1,746.4</u>	<u>1,059.0</u>
EXPENDITURE ON:					
Charitable activities	3	1,189.8	246.3	1,436.1	1,263.2
TOTAL EXPENDITURE		<u>1,189.8</u>	<u>246.3</u>	<u>1,436.1</u>	<u>1,263.2</u>
NET INCOME / (EXPENDITURE) FOR THE YEAR BEFORE GAINS AND LOSSES ON INVESTMENTS		(173.8)	484.1	310.3	(204.2)
Net gains on investments		20.9	-	20.9	18.1
NET INCOME / (EXPENDITURE) FOR THE YEAR		<u>(152.9)</u>	<u>484.1</u>	<u>331.2</u>	<u>(186.1)</u>
Transfers between funds		(179.1)	179.1	-	-
NET MOVEMENTS IN FUNDS		<u>(332.0)</u>	<u>663.2</u>	<u>331.2</u>	<u>(186.1)</u>
Reconciliation of funds:					
Balances brought forward 1 January		5,256.3	6,950.8	12,207.1	12,393.2
Balances carried forward 31 December		<u>4,924.3</u>	<u>7,614.0</u>	<u>12,538.3</u>	<u>12,207.1</u>

STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

Company number 06489067

	Note	2024 £'000	2023 £'000
INTANGIBLE FIXED ASSETS	7	159.1	160.7
TANGIBLE FIXED ASSETS			
Housing properties	8	12,615.0	12,810.4
Other fixed assets	9	9.8	12.4
INVESTMENTS	10	536.6	665.7
		<u>13,320.5</u>	<u>13,649.2</u>
CURRENT ASSETS			
Debtors	11	50.0	165.5
Cash at bank and in hand		<u>1,108.3</u>	<u>217.8</u>
		1,158.3	383.3
CREDITORS: amounts falling due within one year	12	(311.5)	(215.3)
NET CURRENT ASSETS		<u>846.8</u>	<u>168.0</u>
CREDITORS: amounts falling due after more than one year			
Housing loans	13	(1,629.0)	(1,610.1)
NET ASSETS		<u>12,538.3</u>	<u>12,207.1</u>
THE FUNDS OF THE CHARITY			
Unrestricted reserves			
General fund		471.6	375.6
Designated reserves		4,452.7	4,880.7
Total unrestricted reserves	14	<u>4,924.3</u>	<u>5,256.3</u>
Restricted reserves			
Housing for racing industry staff		7,614.0	6,950.8
Total restricted reserves	14	<u>7,614.0</u>	<u>6,950.8</u>
TOTAL FUNDS		<u>12,538.3</u>	<u>12,207.1</u>

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

The financial statements of Racing Homes were approved by the Board of Directors and authorised for issue on 5th June 2025 and signed on its behalf by:



Simon Hope (Chair)

The notes on pages 31 to 44 form part of these financial statements.

STATEMENT OF FINANCIAL CASHFLOWS

for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash provided by operating activities	a)	952.3	469.7
Cash flows from investing activities:			
Purchase of tangible fixed assets	8,9	(190.8)	(122.7)
Purchase of investments		-	(647.6)
Disposal of investments	10	150.0	-
Net cash used in investing activities		<u>(40.8)</u>	<u>(770.3)</u>
Net cash used in financing activities			
Repayment of loans		(1,561.0)	(40.9)
New housing loan advance from Racing Welfare		1,540.0	-
		<u>(21.0)</u>	<u>(40.9)</u>
Net increase/(decrease) in cash and cash equivalents		890.5	(341.5)
Cash and cash equivalents at 1 January		217.8	559.3
Cash and cash equivalents at 31 December		<u>1,108.3</u>	<u>217.8</u>

a) Reconciliation of net income for the year to net cash provided by operating activities

	2024 £'000	2023 £'000
Net (expenditure) / income for the year	331.2	(186.1)
(Gains) on investments	(20.9)	(18.1)
Depreciation and amortisation	358.9	292.7
Transfer tangible fixed asset to Racing Welfare	31.5	-
Decrease / (Increase) in debtors	115.5	516.4
(Decrease) / Increase in creditors	136.1	(135.2)
Net cash inflow provided by operating activities	<u>952.3</u>	<u>469.7</u>

b) Analysis of net debt

	At 1 January 2024 £'000	Cash flows £'000	Non- Cash flows £'000	At 31 December 2024 £'000
Bank	217.8	890.5	-	1,108.3
Loans	(1,651.1)	21.0	-	(1,630.1)
	<u>(1,433.3)</u>	<u>911.5</u>	<u>-</u>	<u>(521.8)</u>
Borrowings				
Debt due within 1 year	(41.0)	21.0	18.9	(1.1)
Debt due after 1 year	(1,610.1)	-	(18.9)	(1,629.0)
	<u>(1,651.1)</u>	<u>21.0</u>	<u>-</u>	<u>(1,630.1)</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

1. ACCOUNTING POLICIES

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 (FRS 102) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Racing Homes 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.

Basis of consolidation

The charitable company is exempt by virtue of section 398 of the Companies Act 2006 from the requirement to prepare group accounts. The financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The directors have identified no material uncertainties and have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of approval of the financial statements, and the charity is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Income

Income from charitable activities represents rents and service charges receivable. All rental and service charge income is from social housing lettings. Grants and donations are recognised as income upon approval of application or receipt, whichever is sooner and only to the extent that any performance criteria has been met. Interest receivable is included in the accounts when due. 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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

1. ACCOUNTING POLICIES (CONT.)

Pensions - defined contributions pension plan

The charitable company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charitable company pays fixed contributions into a separate entity. Once the contributions have been paid the charitable company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the charitable company in independently administered funds.

Tangible fixed assets and depreciation

Housing properties are stated at deemed cost less accumulated depreciation; 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. Other fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected useful economic lives of the assets as follows:

Housing properties (including leasehold)	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 and computer equipment	33% per annum

Freehold land is not depreciated. The residual value (land) is calculated as a proportion of the deemed cost of the properties at the balance sheet date, calculated using the guidance issued by the National Housing Federation. The Charity capitalises expenditure on housing which results in an increase in net rental income, which adds to the value of the property or which extends its useful economic life.

Intangible fixed assets - nomination rights

Nomination rights cover the right to nominate 6 residents to Childwick House, Newmarket and 17 residents to Fielden Court, Kingsclere. They are depreciated in equal amounts over a period of 125 years. They are stated at net book value.

Interest payable

Interest payable is charged to the SOFA in the year which it accrues.

Irrecoverable VAT

All resources expended are 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.

Fund accounting

Unrestricted funds are those which are available for use at the discretion of the Trustees in furtherance of the general objects 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 notes to the financial statements. Restricted funds are those 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

1. ACCOUNTING POLICIES (CONT.)

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. INCOME

	2024 £'000	2023 £'000
Donations and legacies		
Grants received - restricted	730.4	25.6
Donations - unrestricted	0.5	-
Legacies - unrestricted	0.6	117.9
	<u>731.5</u>	<u>143.5</u>
Charitable activities		
Rent receivable net of identifiable service charges	952.1	850.4
Service charges receivable	48.2	53.9
	<u>1,000.3</u>	<u>904.3</u>
Investment income		
Interest receivable	<u>14.6</u>	<u>5.9</u>
Other income	<u>-</u>	<u>5.3</u>
Total income	<u>1,746.4</u>	<u>1,059.0</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

3. TOTAL EXPENDITURE

	Activities undertaken 2024 £'000	Support costs 2024 £'000	Total 2024 £'000	Total 2023 £'000
Charitable activities				
Provision of social housing (note 4)	1,377.7	58.4	1,436.1	1,263.2
	<u>1,377.7</u>	<u>58.4</u>	<u>1,436.1</u>	<u>1,263.2</u>
Support costs				
Overheads and administration costs			46.0	46.0
Governance			12.4	10.3
			<u>58.4</u>	<u>56.3</u>

Audit fees included in support costs amount to £7.6k (2023: £6.0k)

Management and administration overheads of £46k (2023: £46k) allocated to the charity from Racing Welfare are apportioned on the basis of Racing Welfare staff time spent on Racing Homes matters.

4. ANALYSIS OF SOCIAL HOUSING COSTS

	Total 2024 £'000	Total 2023 £'000
Operating costs		
Management costs	459.6	388.3
Service charges	189.3	175.6
Maintenance of properties	298.4	294.3
Governance costs	12.4	10.3
Bad debts	(4.8)	3.9
Loan interest	122.3	98.1
Depreciation of housing properties	275.4	265.2
Depreciation of fixtures and fittings	4.1	11.4
Loss on disposal of fixed assets	77.8	14.5
Amortisation of nomination rights	1.6	1.6
Expenditure on social housing	<u>1,436.1</u>	<u>1,263.2</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

5. STAFF COSTS

	Total 2024 £'000	Total 2023 £'000
Wages	243.7	234.1
Employer's national insurance contributions	24.0	24.1
Pension costs	21.2	21.4
Total	288.9	279.6

The average number of staff in the year was 6 (2023: 6)

One employee earned between £60,000 and £70,000 in the year (2023: one).

Key staff are deemed to be the Chief Executive Officer (CEO), Chief Operating Officer (COO) of Racing Welfare and the Director of Housing. The CEO and COO are employed by Racing Welfare. The Director of Housing is employed directly by Racing Homes, the Charity incurred total remuneration costs of £89.5k in this respect during the year (2023: £80.9k).

The charitable company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £21,200 (2023: £21,400). Contributions totalling £nil (2023: £2,069) were payable to the fund at the balance sheet date and are included in creditors.

6. DIRECTORS' REMUNERATION

No remuneration was paid to the Directors during the year, nor in the previous year. No travelling and subsistence expenses were paid in 2024 (2023: £nil).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

7. INTANGIBLE FIXED ASSETS

	Nomination Rights £
Cost	
At 1 January 2024 and 31 December 2024	<u>197.7</u>
Amortisation	
At 1 January 2024	37.0
Charge for year	1.6
At 31 December 2024	<u>38.6</u>
Net book value	
At 31 December 2024	<u><u>159.1</u></u>
At 31 December 2023	<u>160.7</u>

8. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Assets under development £'000	Freehold land and buildings £'000	Leasehold land and buildings £'000	Freehold improvements £'000	Totals £'000
Deemed cost					
At 1 January 2024	43.8	12,629.4	895.0	1,138.1	14,706.3
Additions	2.0	-	-	187.3	189.3
Disposals	(14.3)	(94.4)	-	-	(108.7)
Transfer	(31.5)	-	-	-	(31.5)
At 31 December 2024	<u>-</u>	<u>12,535.0</u>	<u>895.0</u>	<u>1,325.4</u>	<u>14,755.4</u>
Depreciation					
At 1 January 2024	-	1,525.4	100.4	270.1	1,895.9
Charge for the year	-	190.4	11.5	73.5	275.4
On disposal	-	(30.9)	-	-	(30.9)
At 31 December 2024	<u>-</u>	<u>1,684.9</u>	<u>111.9</u>	<u>343.6</u>	<u>2,140.4</u>
Net book value					
At 31 December 2024	<u><u>-</u></u>	<u><u>10,850.1</u></u>	<u><u>783.1</u></u>	<u><u>981.8</u></u>	<u><u>12,615.0</u></u>
At 31 December 2023	<u>43.8</u>	<u>11,104.0</u>	<u>794.6</u>	<u>868.0</u>	<u>12,810.4</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

8. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES (continued)

Historic cost	2024 £'000	2023 £'000
Gross cost	12,862.8	12,767.9
Accumulated depreciation on historical cost	(2,941.8)	(2,804.2)
	<u>9,921.0</u>	<u>9,963.7</u>
Housing properties, at deemed cost, comprise:		
Freeholds	13,860.4	13,811.3
Long leaseholds	895.0	895.0
	<u>14,755.4</u>	<u>14,706.3</u>

Housing properties include freehold land of £3,111.3k (2023: £3,111.3k) that is not depreciated.

9. TANGIBLE FIXED ASSETS - OTHER

	IT equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 January 2024	3.1	134.6	137.7
Additions	1.5	-	1.5
At 31 December 2024	<u>4.6</u>	<u>134.6</u>	<u>139.2</u>
Depreciation			
At 1 January 2024	1.2	124.1	125.3
Charge for the year	1.0	3.1	4.1
At 31 December 2024	<u>2.2</u>	<u>127.2</u>	<u>129.4</u>
Net book value			
At 31 December 2024	<u>2.4</u>	<u>7.4</u>	<u>9.8</u>
At 31 December 2023	<u>1.9</u>	<u>10.5</u>	<u>12.4</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

10. INVESTMENTS HELD AS FIXED ASSETS

	2024 £'000	2023 £'000
Listed securities		
Market value at 1 January	665.7	-
Additions	-	647.6
Disposals	(150.0)	-
Net investment gains/(losses)	20.9	18.1
Market value at 31 December	<u>536.6</u>	<u>665.7</u>
Historic cost at 31 December	<u>497.2</u>	<u>647.6</u>
Listed investments are represented by:		
Trojan Income Fund (S Income)	280.0	422.5
Troja Fund (S Income)	256.6	243.2
	<u>536.6</u>	<u>665.7</u>

11. DEBTORS

	2024 £'000	2023 £'000
Due within one year:		
Rental debtors	28.4	24.0
Prepayments and accrued income	15.8	122.3
Due from the Rous Charity	1.8	7.8
Due from parent undertaking – Racing Welfare	-	7.9
Other debtors	4.0	3.5
	<u>50.0</u>	<u>165.5</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £'000	2023 £'000
Due to parent undertaking – Racing Welfare	126.5	-
Other taxation and social security payable	9.2	9.2
Trade creditors	40.8	83.4
Accruals and deferred income	128.6	72.7
Other creditors	5.3	9.0
Housing loans	1.1	41.0
	<u>311.5</u>	<u>215.3</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

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

	2024 £'000	2023 £'000
Housing loans	<u>1,629.0</u>	<u>1,610.1</u>
	<u>1,629.0</u>	<u>1,610.1</u>
Analysis of Housing loans repayable by instalments:		
Within one year	1.1	41.0
Between one and two years	31.3	41.0
Between two and five years	1,515.4	124.6
After five years	<u>82.3</u>	<u>1,444.4</u>
	<u>1,630.1</u>	<u>1,651.0</u>

There are two housing loans:

A loan with a total outstanding amount of £91.1k is secured on properties at Jack Jarvis Close, bears interest at a fixed rate of 15% per annum and is repayable over a period of 60 years from 1980.

A £1,750.0k loan was taken out in 2019, secured against Summerhill House. In April 2024 Racing Welfare paid the loan in full on behalf of Racing Homes and loaned £1,540.0k to the Charity. This loan bears interest of 5.00% per annum, fixed, payable quarterly. There are no capital payments due in the first 24 months of the agreement. The balance will be paid on the maturity date, April 2029.

14 RESERVES

	At 1 January 2024 £'000	Income in the year £'000	Expenditure in the year £'000	Investment gains £'000	Transfers £'000	At 31 December 2024 £'000
Unrestricted funds						
General fund	375.6	1,016.0	(797.6)	20.9	(143.3)	471.6
Designated - Fixed Asset Fund	2,268.8	-	(303.1)	-	205.2	2,170.9
Designated - Revaluation Reserve	2,111.9	-	-	-	(52.2)	2,059.7
Designated - Asset Management	500.0	-	(89.1)	-	(188.8)	222.1
Total unrestricted funds	<u>5,256.3</u>	<u>1,016.0</u>	<u>(1,189.8)</u>	<u>20.9</u>	<u>(179.1)</u>	<u>4,924.3</u>
Restricted funds						
Housing for Racing Industry Staff	6,574.7	-	(207.6)	-	182.5	6,549.6
HfRIS - Revaluation Reserve	376.1	-	-	-	(3.4)	372.7
Repairs and maintenance fund	-	121.6	-	-	-	121.6
Middleham Development	-	570.1	-	-	-	570.1
Young person support officer	-	38.7	(38.7)	-	-	-
Total restricted funds	<u>6,950.8</u>	<u>730.4</u>	<u>(246.3)</u>	<u>-</u>	<u>179.1</u>	<u>7,614.0</u>
Total funds	<u>12,207.1</u>	<u>1,746.4</u>	<u>(1,436.1)</u>	<u>20.9</u>	<u>-</u>	<u>12,538.3</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

14. RESERVES (CONT.)

	At 1 January 2023 £'000	Income in the year £'000	Expenditure in the year £'000	Investment gains £'000	Transfers £'000	At 31 December 2023 £'000
Unrestricted funds						
General fund	285.8	1,033.4	(715.1)	18.1	(246.6)	375.6
Designated - Fixed Asset Fund	2,270.5	-	(221.5)	-	219.8	2,268.8
Designated - Revaluation Reserve	2,132.6	-	-	-	(20.7)	2,111.9
Designated - Asset Management	-	-	-	-	500.0	500.0
Total unrestricted funds	4,688.9	1,033.4	(936.6)	18.1	452.5	5,256.3
Restricted funds						
Housing for Racing Industry Staff	6,678.0	-	(156.9)	-	53.6	6,574.7
HfRIS - Revaluation Reserve	379.5	-	-	-	(3.4)	376.1
Repairs and maintenance fund	146.8	-	(146.8)	-	-	-
Middleham Development	500.0	-	-	-	(500.0)	-
Young person support	-	-	-	-	-	-
Housing Support Officer	-	25.6	(22.9)	-	(2.7)	-
Total restricted funds	7,704.3	25.6	(326.6)	-	(452.5)	6,950.8
Total funds	12,393.2	1,059.0	(1,263.2)	18.1	-	12,207.1

The designated **Fixed Asset Fund** sets aside funds equivalent to the net book value of both tangible and intangible fixed assets (less; the value of fixed assets associated with the restricted reserve and any liability secured against the asset) and is intended to highlight reserves allocated for such use.

The designated **Revaluation Reserve** recognises the effect of the historic revaluation of our housing stock.

The designated **Asset Management Fund** is an amount previously restricted for another purpose now earmarked by the Trustees to be used to part fund planned maintenance and major works across the property portfolio.

The restricted fund, **Housing for Racing Industry Staff**, arises as a result of the transfer of housing assets from Racing Welfare. These assets were transferred 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 from Racing Welfare less any liability secured against the asset.

The restricted **HfRIS Revaluation Reserve** recognises the effect of the historic revaluation of our housing stock.

The restricted Repairs and Maintenance fund arises from grants received from Racing Welfare to be used for major repairs and maintenance or refurbishment works of housing stock.

The restricted **Middleham Development fund** arises from a grant received from Racing Welfare in 2024 to be used towards the costs of a new development in Middleham, a key racing centre.

The restricted **Young Person Support** fund arises from a grant received from Racing Welfare towards security costs at a young persons scheme during the year.

The restricted **Housing Support Officer** fund arises from a grant received to be used towards the costs of employing a Housing Support Officer.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

14. RESERVES (CONT.)

Transfers between funds: 2024

£179.1k was transferred from the designated Asset Management fund to the restricted Housing for Racing Industry Staff fund, being the cost of capital expenditure on those properties funded by the former fund. Capital expenditure on designated properties was also funded from the designated Asset Management fund, leading to a transfer of £9.7k from that fund to the designated Fixed Asset fund.

An amount of £143.3k was transferred from the General fund to the designated Fixed Asset fund, being repayments of loans on designated properties that were funded from the general fund.

£3.4k was transferred from the Restricted HfRIS Fund to the Restricted Revaluation Reserve being movement on the Revaluation Reserve. £27.8k was transferred from the Designated Revaluation Reserve Fund to the designated Fixed Asset fund being movement on the Revaluation Reserve.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total £'000
As at 31 December 2024				
Fixed assets	6,923.2	5,860.7	-	12,783.9
Investments	121.6	222.1	192.9	536.6
Current Assets	569.2	-	589.1	1,158.3
Current liabilities	-	(1.1)	(310.4)	(311.5)
Long-term liabilities	-	(1,629.0)	-	(1,629.0)
	<u>7,614.0</u>	<u>4,452.7</u>	<u>471.6</u>	<u>12,538.3</u>
As at 31 December 2023				
Fixed assets	6,950.8	6,031.7	-	12,982.5
Investments	-	352.5	313.2	665.7
Current Assets	-	-	383.3	383.3
Current liabilities	-	(41.0)	(174.3)	(215.3)
Long-term liabilities	-	(1,610.1)	-	(1,610.1)
	<u>6,950.8</u>	<u>4,733.1</u>	<u>522.2</u>	<u>12,206.1</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

16. CONNECTED CHARITIES

The Charity has some directors and administration in common with the following charities:

- Racing Welfare
- The Rous Charity

These charities have the same principal office as Racing Homes.

Racing Welfare is the sole member of the Charity. Its charitable objects include the relief of poverty and distress amongst people working in, or retired from, the thoroughbred racing and breeding industry and their dependants. This is congruent with the objects of Racing Homes.

The Rous Charity is an almshouse charity, of which Racing Homes is the sole Trustee.

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 £203.1k (2023: £443.4k).

Balances due to/(from) Racing Homes were as follows:

	2024 £'000	2023 £'000
Amounts due (to)/from Racing Welfare	(126.5)	7.9
Amounts due from the Rous Charity	1.8	7.8
Amounts due (to) Jockey Club Estates Limited	<u>(9.4)</u>	<u>(17.3)</u>
Amounts due (to)/from Racing Welfare > 1 year	<u>(1,540.0)</u>	<u>-</u>

During the year £46k (2023: £46k) in respect of management and administration overheads were allocated to the Charity by Racing Welfare. The Racing Welfare group manages its cash across entities as needed, therefore inter-charity balances are perpetually in existence. During the year total grants of £730.4k (2023: £22.9k) were received from Racing Welfare.

In May 2024, Racing Welfare settled Racing Homes's loan with Handelsbanken (secured against Summerhill House). Racing Welfare is now the lender and details of the arrangement can be found in note 11. The loan advance was £1,540k.

The charity collects rents on behalf of the Rous Charity and pays for shared costs between the two charities. During the year the charity collected rents amounting to £79,045 (2023: £70,111) on behalf of the Rous Charity and received shared costs attributable to the Rous Charity of £69,087 (2023: £51,421), including staff costs of £23,355 (2023: £23,089). During the year the charity allocated overheads with a value of £4,000 (2023: £4,000) to the Rous Charity.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

17. PARENT AND ULTIMATE CONTROLLING PARTY

The charity's parent undertaking is Racing Welfare, Charity number 1084042, Company registration number 04116279, whose address is the same as Racing Homes and whose charitable objectives are the relief of poverty, sickness, injury and the advancement of education to those employed or formally employed in the racing industry.

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.

During the year The Jockey Club provided professional services to the charity, valued at £11k (2023: £14k), free of charge. This has been recognised as a donation in kind and a management cost in the statement of financial activities.

18. CONTINGENT LIABILITIES

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.

19. OPERATING LEASE COMMITMENTS

	2024 £'000	2023 £'000
Payments due:		
Within one year	6.0	6.0
Within one to two years	6.0	
Within two to five years	5.0	-
	<u> </u>	<u> </u>

20. CAPITAL COMMITMENTS

	2024 £'000	2023 £'000
Contracted future capital expenditure not provided for	-	25.2
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

21. STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR YEAR ENDED 31ST DECEMBER 2023

	Note	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Total funds 2023 £'000
INCOME FROM:				
Donations and legacies		117.9	25.6	143.5
Charitable activities	2	904.3	-	904.3
Other income		5.9	-	5.9
Investments		5.3	-	5.3
TOTAL INCOME		1,033.4	25.6	1,059.0
EXPENDITURE ON:				
Charitable activities	4	936.6	326.6	1,263.2
TOTAL EXPENDITURE		936.6	326.6	1,263.2
NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE GAINS AND LOSSES ON INVESTMENTS		96.8	(301.0)	(204.2)
Net gains (losses) on investments		18.1	0	18.1
NET INCOME/(EXPENDITURE) FOR THE YEAR		114.9	(301.0)	(186.1)
Transfers between funds		452.5	(452.5)	-
NET MOVEMENT IN FUNDS		567.4	(753.5)	(186.1)
Balances brought forward 1 January		4,688.9	7,704.3	12,393.2
Balances carried forward 31 December		5,256.3	6,950.8	12,207.1

Racing Homes

England & Wales - Charity number 1122961

Accounts



RACING HOMES

Report and Financial Statements

31 December 2023

Registered charity number: 1122961

Company registration number: 06489067

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LEGAL AND ADMINISTRATIVE DETAILS

TRUSTEES AND DIRECTORS

Simon Hope (Chair)

Sir William Barlow

Craig Gasper

Patrick Russell

Simon Stockley (Appointed June 2023)

EXECUTIVE

Dawn Goodfellow - Chief Executive

Wendy Botterill - Director of Housing

REGISTERED OFFICE

Robin McAlpine House

20B Park Lane

Newmarket

Suffolk

CB8 8QD

SOLICITORS

Taylor Vinters

Merlin Place

Milton Road

Cambridge

CB4 0DP

AUDITORS

Price Bailey LLP

Tennyson House

Cambridge Business Park

Cambridge

CB4 0WZ

BANKERS

Barclays Bank Plc

58 High Street

Newmarket

Suffolk

CB8 8NM

CHAIR'S STATEMENT

Our Chair, Simon Hope, reflects on 2023

Horseracing continues to suffer from a lack of affordable, suitable housing particularly in the racing centres where house prices are high due to their proximity to London and Cambridge or in the rural, northern centres where availability is low with many houses owned as second homes. Racing employs a disproportionate number of young people as well as a significant proportion of single males who struggle to score highly for local council housing allocation. In 2023, in conjunction with Racing Homes' parent charity Racing Welfare, the team reported over 1,800 instances of support in relation to housing and housing advice with the number of people presenting as homeless continuing to rise.



Racing Homes is a small housing association with a modest portfolio that cannot satisfy the entire housing need in racing. The trustees have had to prioritise those most vulnerable and most in need but balancing affordability to our tenants with the real cost of maintaining high quality accommodation is extremely challenging. The trustees have resisted rent increases in the past, which would have kept track with the investment required in our stock, as it was considered the negative impact on our tenants during COVID and the following cost of living crisis would be considerable. This approach is not sustainable. The financial challenges faced by our parent charity due to the lack of industry funding for a core welfare programme has had a knock-on effect with Racing Homes, the rent grant received in previous years in lieu of capping rent increases has not been awarded.

The trustees need to review the strategy of the charity to ensure that we can continue to deliver our charitable objectives with a financially sustainable model. This will be the focus of 2024.

The now well-established team have done an excellent job in 2023 with strong performance against KPI's and the introduction of new initiatives to improve tenant satisfaction. The continuing investment in our asset management programme is time consuming and challenging with shortages of contractors and the rise in build costs. That said, the charity invested £207k in delivering the second year of the five-year asset management plan.

The purchase of land in Middleham in early 2024 opens up the next steps for developing a scheme that helps alleviate the housing and social issues in the town and next year will see us create a Middleham Development Committee of local stakeholders to ensure that the development is fit for purpose. We also continue to have positive conversations around an opportunity in Lambourn where the housing need is great.

On behalf of the board, I would like to thank the team at Racing Homes and those at Racing Welfare who contribute to the ongoing success of the charity, enabling it to effectively deliver its charitable objectives.

Simon Hope
Chair

TRUSTEES' REPORT

Objectives and Activities

The Trustees present their annual report and the audited financial statements of the charity 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 Homes is the wholly owned subsidiary of Racing Welfare and the two charities work very closely together, both operationally and via their aligned charitable objectives. Racing Homes shares senior management resource and some of its trustees with Racing Welfare. Operationally it has its own fantastic team of employees.



WHAT WE DO

The principal activity of the charity is the provision of affordable housing. Racing Homes' objects, as described formally in its governing document, are to provide affordable housing and associated amenities to those people that need it. In particular, the charity has a focus on providing specially designed or adapted living facilities for those retired beneficiaries who require them due to disability.

Racing Homes manage a housing stock of 165 units (2022: 165) of accommodation. Six of these units are owned by Racing Welfare (as a result of properties transferred from Epsom Racing Staff Welfare during the year) and 13 by Racing Homes' subsidiary charity, The Rous Charity. In addition, Racing Homes has nomination rights to schemes of retirement properties across Newmarket and Kingsclere.

The whole portfolio is broken down into schemes. Each scheme houses either retired beneficiaries, young people or working staff. In more recent years the trustees, in reviewing which group of the racing community had the greatest need for access to affordable housing, decided to transition away from housing working staff and focus on young and retired.

TRUSTEES' REPORT

Objectives and Activities continued

Today, the majority of the portfolio provides housing for these two beneficiary groups:

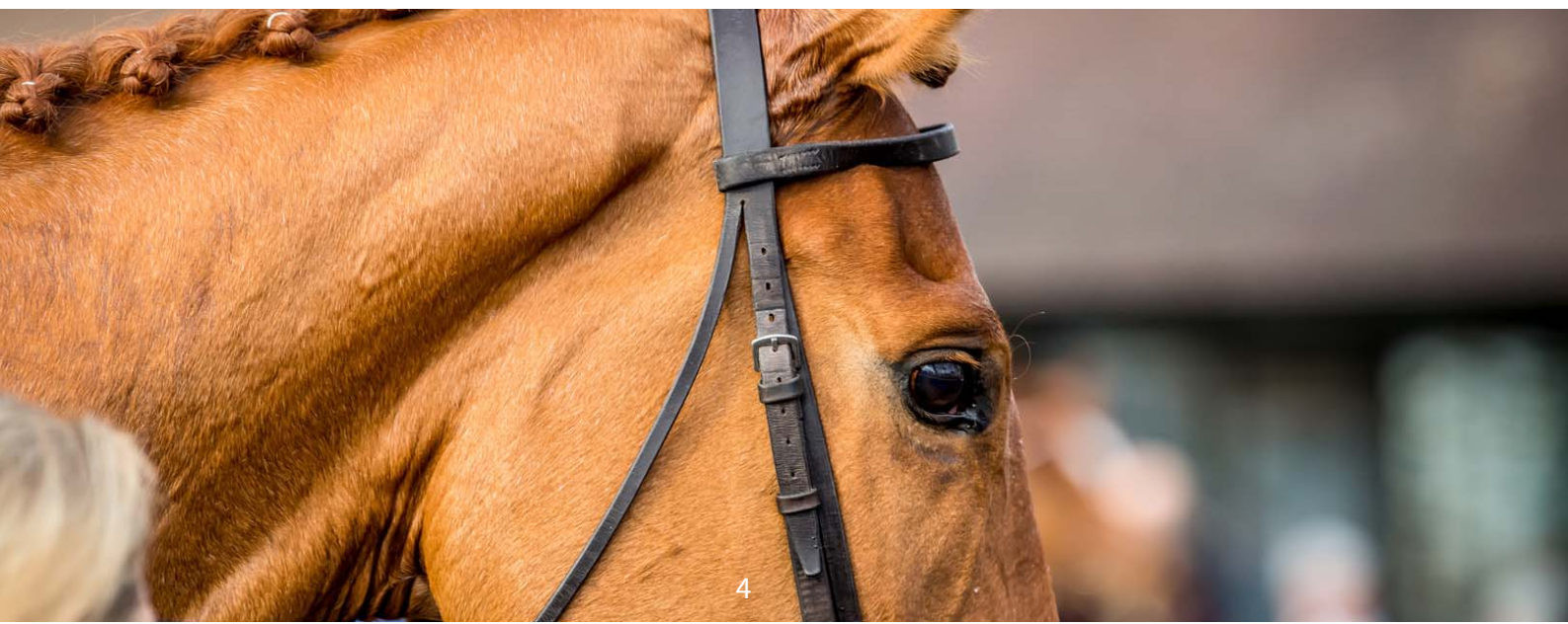
Young People – 23% of the portfolio

This decision was made due to the difficulty faced by young people who work in horseracing in accessing affordable, safe accommodation. Horseracing employs a relatively high proportion of young people. For many, this can mean the first time they are living away from home. For our young person's accommodation we deem and accept applications for housing from persons aged 18 – 24 years.

Research has shown that a relatively high attrition rate from the industry, by people in this group, can often be attributed to the experiences encountered outside of their employment. Providing schemes of accommodation where young people can be supported in their transition to independent living, has been shown to improve retention and well-being. In 2022 the charity took the reluctant decision to cease housing under 18's. The provision of safe and good quality housing for this age group remains essential. However, Racing Homes is unable to provide the level of care and support within its existing resource to meet the expectations and safeguarding needs for those deemed as children. This policy change was communicated to trainers, British Horseracing Authority (BHA), British Racing School (BRS) and National Horseracing College (NHC).

Older People – 70% of the portfolio

The competition for social housing is fierce, particularly in many of those areas densely populated by horseracing businesses. Racing Homes commissioned a housing needs survey in 2015 which established that, due to the location of the racing centres, there is a lack of availability of suitable housing and in all cases, house prices are very high. Our older person schemes provide independent living to those over 55 years of age.



TRUSTEES' REPORT

Objectives and Activities continued

Working Staff – 7% of the portfolio

This percentage has decreased over the last five years and now only two schemes still remain dedicated to working staff. This allows the charity to keep a small number of units available, should we have particularly vulnerable beneficiaries or those with special requirements.

During the year Epsom Racing Staff Welfare, a charity with similar objects, based solely in the racing hub of Epsom entered into an asset transfer agreement with Racing Welfare. The charity owned two three bedroom houses and these properties now sit within Racing Welfare. They will continue to be managed by the Racing Homes team.

A number of our properties have disabled living adaptations and the Racing Homes team work closely with welfare officers from Racing Welfare to ensure that tenants' needs are monitored and any special adaptations or equipment is installed.

Affordability is a key part of the charity's objects and the trustees have bench-marked and consulted with both the housing team and the welfare team at Racing Welfare, in order to set rent levels. A significant proportion of tenants receive statutory benefits which subsidise or fulfil rental values up to Local Housing Allowances. For young people, Local Housing Allowance rates have been evaluated by the welfare team as affordable for those on standard age-related wage rates in the industry. As such the trustees agreed to transition to Local Housing Allowance rent rates over a 10 year period from 2019. There will be a gradual increase for existing tenants and immediate increase on new tenancies, which are subject to affordability testing prior to sign up.

In 2019 the completion of the newest scheme, Summerhill House, set a new benchmark for the quality of housing Racing Homes aspires to provide across its entire portfolio. The trustees are looking at an ambitious 10-year plan, expanding the property portfolio in those areas with the greatest need. Quality, affordable housing for all of racing's workforce, which is estimated at 20,000 people, is not something that can realistically be achieved by a portfolio and charity of this size. However, in 2024 and beyond the trustees will consider how it can be the driving force behind a significant step change in the racing industry that will ensure that all racing's workforce have access to quality, safe and affordable housing. This can only be achieved by working closely with the regulatory body for racing and other key stakeholders in the industry.



TRUSTEES' REPORT

Objectives and Activities continued

WHERE WE DO IT

Whilst there is a concentration of racing industry staff in the main horseracing training centres shown on the map, racing businesses and their employees can be found throughout the UK. The collaboration with Racing Welfare, who geographically cover the entire country, enables Racing Homes to support and advise the workforce on general housing issues, regardless of whether they are a current tenant. The strategy developed in 2020 will see Racing Homes widen this reach, through direct support or by influencing macro level change in employee housing.

The Trustees referred to the guidance contained on 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, they have considered how planned activities will contribute to the aims and objectives of the charity 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.



TRUSTEES' REPORT

Achievements and Performance

ACHIEVEMENTS AND PERFORMANCE

WHAT WE HAVE ACHIEVED

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 programs. All other properties which became empty were let at a good standard which included all appropriate repairs, maintenance and partial elemental replacements where needed.

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

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 finalised 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.

TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE HAVE ACHIEVED (continued)

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.



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE HAVE ACHIEVED (continued)

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

WHAT WE HAVE ACHIEVED (continued)

In 2023, we conducted a customer survey to collect feedback from our tenants. We embraced the latest Tenant Satisfaction Measures (TSMs) outlined by the Regulator of Social Housing. These measures are derived from the pledges outlined in The Charter for Social Housing Residents: Social Housing White Paper. Although we are not obligated as a charitable housing provider to adopt these measures, we believe it is important to align ourselves as closely as practical with the standards set in the social housing sector given our common social purpose to provide good quality and safe homes.

We received favourable feedback across several aspects of our service. For instance, 97% of our tenants expressed satisfaction with the services provided by Racing Homes and 94% indicated satisfaction that their homes are well maintained. Notably, there was unanimous contentment among our tenants regarding their sense of safety when thinking of the condition of the property or building. Additionally, 97% felt that Racing Homes positively contribute to their neighbourhood. We are delighted to note that our tenants feel well informed about matters important to them, with 94% finding us easy to deal with. Moreover, we received over 90% satisfaction with our repair, internal and external services such as cleaning and grounds maintenance.

Despite the extremely positive feedback there are areas that scored lower than others indicating areas where improvement can be made. These include enhancing our responsiveness to tenants' views, improving communication from our contractors when a repair cannot be resolved during the initial visit, and establishing a clearer and more accessible complaints process for addressing issues when they arise. Furthermore, we observed a lower overall response rate compared to our previous survey in 2021, particularly among our younger residents. To address this, while we will continue to offer postal surveys, we plan to expand engagement digitally and through specific in-person initiatives to ensure a broader and higher rate of feedback. We will also continue to give our tenants the opportunity to engage with us more through our annual program of resident meetings on our housing schemes and to accompany the Housing Officer on an estate inspection. Remaining visible and approachable continues to be a top priority for us.

The text messaging service was introduced in 2023, providing a convenient means for us to communicate swiftly with our tenants. We disseminated two newsletters to convey vital information to our tenants, including the results of the tenant survey and the actions taken in response to the feedback received. Furthermore, we implemented improvements to our website aimed at enhancing the availability of information and improving accessibility. These updates included details on our revised complaints policy and the responsibilities and service timelines for repairs and maintenance.

TRUSTEES' REPORT

Achievements and Performance continued

HOW WE ACHIEVED IT

Racing Homes shares senior management team resource with Racing Welfare. The Director of Housing oversees the day to day running of the charity reporting into the Chief Executive, with support from the Chief Operating Officer. For our capital projects work we are supported by the Group Property Team at the Jockey Club.

Racing Homes finance function is provided by the Racing Welfare finance team. Racing Homes has its own accounts assistant who reports into the Finance and Operations Director of Racing Welfare, who in turn reports into the Chief Operating Officer. Welfare support and advice is provided by Racing Welfare's Welfare Team headed up by the Director of Welfare and fundraising for capital projects in Racing Homes is provided by Racing Welfare's fundraising team, headed up by the Head of Fundraising.

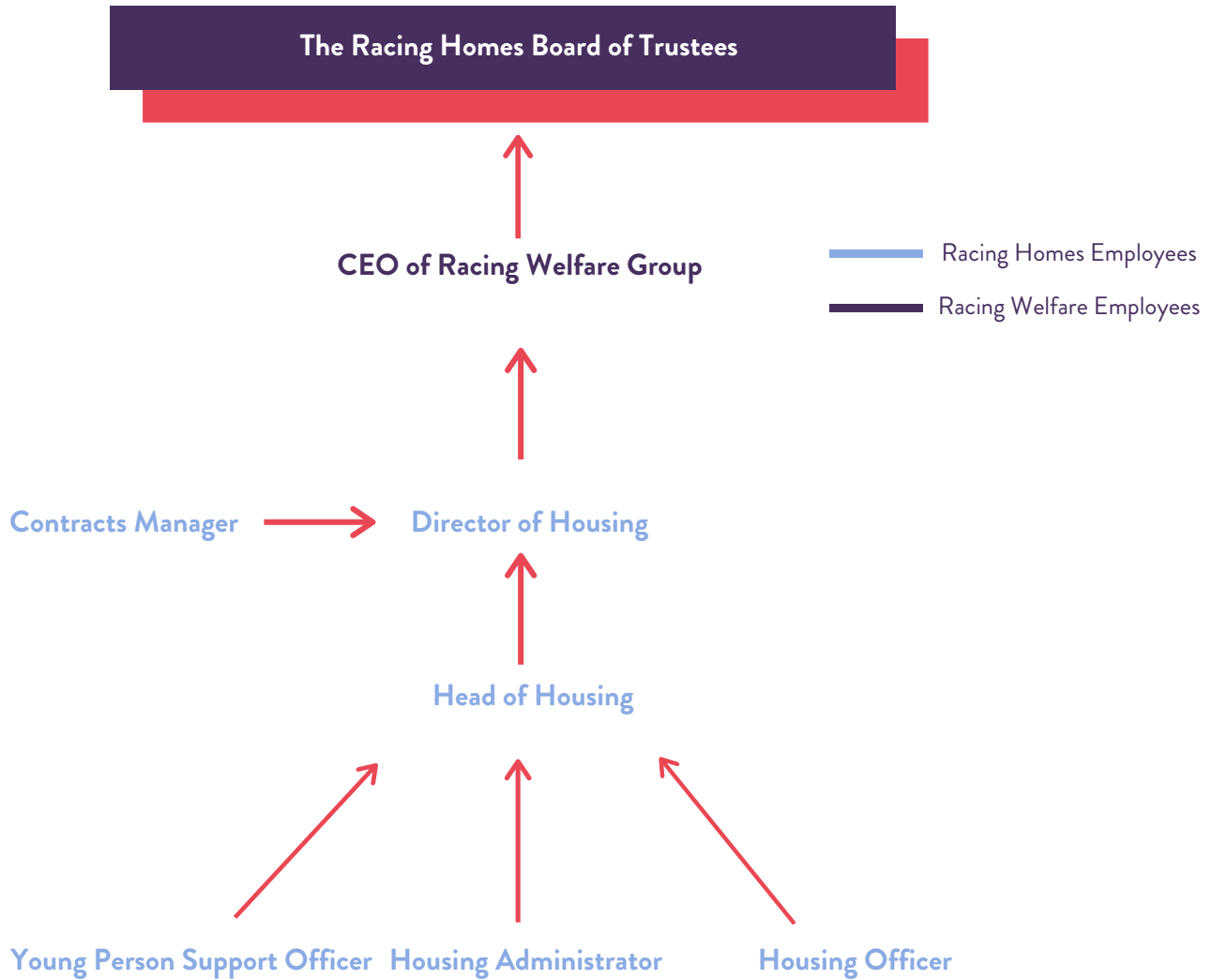
In addition to the close association with Racing Welfare's Welfare Team, Racing Homes employs a Young Person Project Officer. The role was introduced in 2019 and they are on hand to check in with the residents, giving guidance and carrying out reviews. These cover a range of topics such as debt and budgeting, health, people, support, choices and behaviour. The focus is on providing residents with life skills to live independently and be able to sustain a tenancy in private housing once their two year stay comes to an end with us. The emphasis is on providing holistic support to enable them to thrive in both their home and work lives. This post was funded in 2022 by a grant from Racing Welfare.



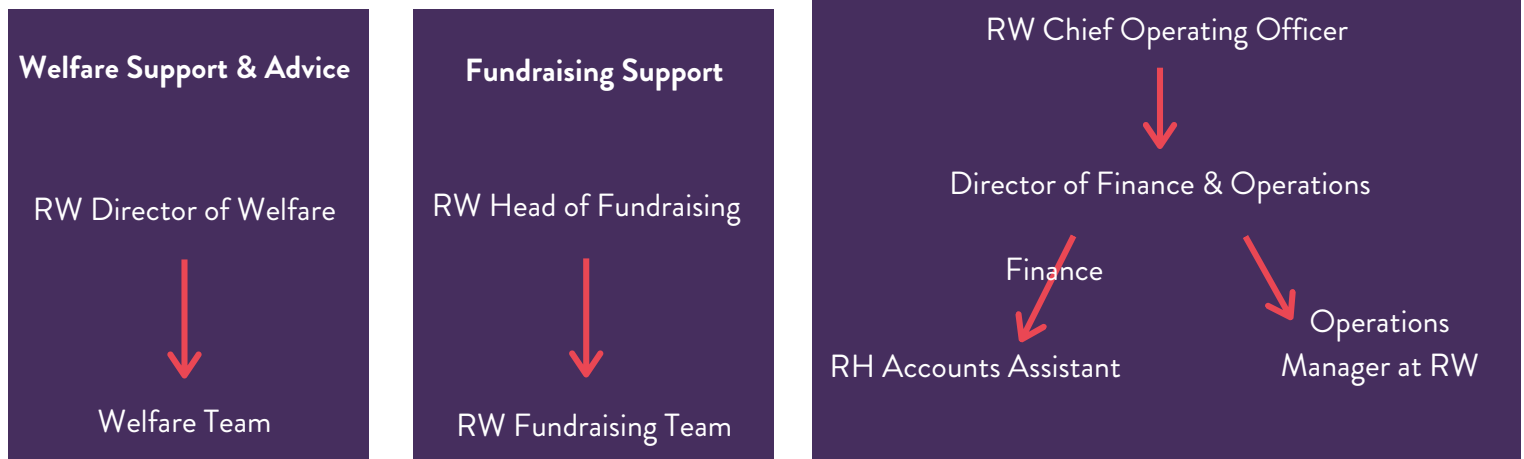
TRUSTEES' REPORT

Achievements and Performance continued

HOW WE ACHIEVED IT (continued)



Support Services Provided by Racing Welfare



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE PLAN TO DO NEXT

In 2024 we will undertake a series of strategy days to review the long term financial sustainability of Racing Homes, reviewing the portfolio in light of upcoming landlord compliance and future demands around environmental commitment alongside our resource structure and use of external contractors. We will also consider the wider industry issues relating to housing and how we might contribute to improvements for the industry.

The team will continue to work on the five-year asset management plan in order that the standard and safety of our properties can be maintained, and a rolling programme of works can be developed and delivered. The trustees have considered the housing association's ability to finance this programme of works and it recognises that a history of maintaining rent rates at social housing levels, without the benefit of government grant funding, has left the charity with insufficient reserves to deliver these works. It is imperative that the trustees maintain their decision of three years ago, to move rents to those aligned with Local Housing Allowance (LHA) rates over a 10 year period. In the interim the housing association is reliant on the option to request an annual grant from Racing Welfare for the difference between rent charged and what would have been charged at LHA rates. Racing Welfare provides this grant on the basis that it would prefer a gradual increase for its beneficiaries to ease the impact of any increased living costs. Unfortunately due to the funding challenges in Racing Welfare the grant was not provided in 2023 which significantly contributed towards the reporting deficit in the current year.

The board considered at length the rent increase applied in January 2024. The charity's policy adopted in 2019 to transition to Local Housing Allowance rates by 2029 allied with a below inflation increase last year saw rent increases ranging from 5% to 9.7%.

Health and Safety of our homes and estates remains of paramount importance and significant time and resource has been spent ensuring we have robust compliance practices in place. Fire risk reviews were carried out in all housing schemes with an internal communal area. Racing Homes carried out a number of fire safety upgrades to further improve safety.



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE PLAN TO DO NEXT (continued)

The text messaging service, which was introduced in 2023, providing a convenient means for us to communicate swiftly with our tenants, will undergo further enhancements in 2024, expanding its functionalities to allow tenants to utilise it for various purposes related to their homes and accounts. Additionally, tenants will gain access to a dedicated tenant portal, enabling them to view their account details, rent statements, and submit repair requests.

The government decarbonisation strategy aims for the UK economy to become net carbon zero by 2050. This will have a significant impact on the housing sector. We have started to undertake work to help us form our own strategy. Our initial steps have been to capture the essential energy information and work with an external consultant to measure our current carbon footprint. We are now working on a more detailed review ahead of finalising our commitment.

Gaining planning permission in Middleham and investigating new opportunities in Lambourn will remain a priority for the housing development team who continue to carefully assess the risks associated with development as well as revisiting budgets and costings. In 2024 we will create a Middleham Committee made up of key local people to help review the needs of the racing industry in the area and ascertain how we can work closely with the community with any new development.

Financing our projects is still an area of focus for the team, along with planning how we can begin to work towards our vision: that everyone from the horseracing and breeding industry has access to high quality, affordable, safe housing. This is alongside our mission: to sustainably grow a high quality, affordable housing portfolio that demonstrates best practice in housing management and delivers services that improve beneficiaries' lives.



TRUSTEES' REPORT

Financial Review

OUR FINANCIAL PERFORMANCE

Our Income

The total income for the year was £1,059.0k (2022: £1,117.8k), the minor reduction due to a decrease in donations and legacies.

Income from housing activities increased by 2.5% in 2022 (2022: 5%). With the effect of the charity's policy of adopting Local Housing Allowance-based rents for new tenants in refurbished properties alongside a general rent rate increase of 3% we would expect this to be higher. However significant void losses has impacted the overall increase in net rents.

Our Expenditure

Expenditure in the year increased from £1,102.0k in 2022 to £1,263.2k. The charity has experienced an increase in management costs due to the expansion of the in-house team, a necessity to achieve compliance across the portfolio, alongside an increase in maintenance spend.

Net expenditure for the year before investment gains was £204.2k (2022: net income of £15.8k).

Balance Sheet

Cash is managed at a group level and resulted in a balance of £443.0k due from Racing Welfare at the end of 2022 which was settled in 2023. Investments were purchased with these funds and funds from the LHA subsidy, and the fair value at the end of the year of these investments was £665.7k (2022: Nil). Total fixed assets therefore increase from £13,153.4k to £13,649.2k. The increase in costs has reduced cash at bank from £559.3k to £217.9k. All of this results in a change in the net current asset position of the Charity to £167.5k at the end of 2023 from £890.9k a year earlier. Net assets as at 31 December 2023 were at £12.2m (2022: £12.4m).

Managing our Reserves

Racing Homes holds reserves for the purpose of owning, maintaining and developing the housing portfolio. As at 31 December 2023 the charity held total reserves of £12.2m (2022: £12.4m). Unrestricted funds amounted to £5.3m (2022: £4.7m) and restricted funds were stated at £6.9m (2022: £7.7m). Within the unrestricted funds are £4.9m (2022: £4.4m) of designated funds which represents £500k of investments earmarked to fund short- to medium-term major repairs with the balance being the net book value of fixed assets and associated liabilities that are not classified as restricted. The designated fund will be expended in line with the amortisation of the properties represented by the fund.

TRUSTEES' REPORT

Financial Review continued

Restricted funds represent properties which have been transferred to Racing Homes with a restriction imposed relating to the requirement to house individuals working in or retired from the horseracing and breeding industry along with funds received towards future developments.

The charity has a reserves policy, in line with its parent, to keep six months of property management costs in free reserves. This is estimated at £450k. Free reserves, represented by the revenue reserve, are £375.6k as at 31 December 2023 (2022: £285.8k).

Going Concern

The trustees have considered whether there are any material uncertainties about the charity's ability to continue as a going concern.

With the need to invest in the long-term maintenance of our housing stock, a requirement to spend an approximate additional £400,000 per year has been identified by the Director of Housing and Contracts Manager. This will be funded in part by the gradual increase in rents to LHA levels in conjunction with annual grant applications to Racing Welfare. The applications were approved in 2020, 2021 and 2022 but - due to its own financial pressures - Racing Welfare was not in a position to pay in 2023. Racing Homes has sufficient general and designated funds available to continue with the asset management plan in its current form until at least 2027.

The Directors noted the inter-charity balance between Racing Welfare and Racing Homes at the beginning of the year. During 2023, the Finance, Investment and Audit Committee of Racing Welfare have approved a draw down from investments to repay that inter-charity loan.

The balance sheet impact of the draw down is assessed as minimal, as the majority of the funds are represented by land and building of which there are no plans to liquidate. The majority of housing income is received from retired beneficiaries (74%) and a significant number of these people will be in receipt of state pension and/or benefits. Tenants facing hardship are able to access support through Racing Welfare. The Charity's forecasts cover a period of 12 months from the approval of this report and no issues were identified that would give rise to a going concern risk.

TRUSTEES' REPORT

Financial Review continued

Principal Risks and Uncertainties

Racing Homes 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. Racing Homes is included under Racing Welfare in terms of risk management and 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.

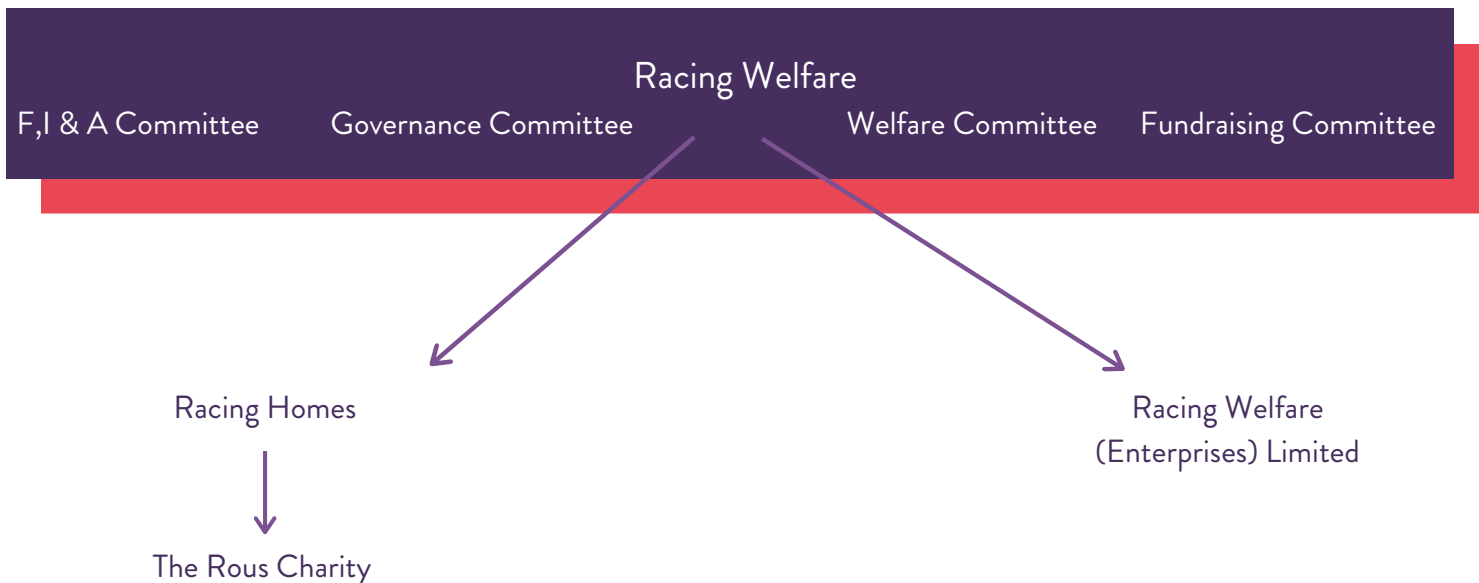
Set out in the table below are the principal risks that are specific to Racing Homes and actions taken to mitigate the risks. The trustees acknowledge that there are further, more generic risks, which are included on the charity's risk register and may score highly but these risks are not listed here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

Risk Description	Risk Mitigation
<p>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 adopts Racing Welfare's 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 HR staff undergo Safer Recruitment training.</p>
<p>Non-compliance with electrical, gas and fire safety requirements:</p> <p>Failure to comply with safety requirements could lead to serious harm to tenants and property</p> <p>This is included due to the inherent risk of being a landlord, holding a portfolio of residential housing.</p>	<p>Fire risk assessments are conducted at all schemes, with recommended servicing and in house testing regimes of fire equipment/ systems in place. The Housing Team with the assistance of Racing Welfare personnel regularly check communal areas for good housekeeping. Annual PAT testing is conducted where appropriate in communal shared facilities along with five year fixed-wire testing. The central housing management software triggers compliance reminders in addition to internal management systems that monitor compliance activity and actionable safety tasks.</p>
<p>Stock deterioration</p> <p>Tenant, staff injury or detriment to health sustained from deterioration of housing stock or sub-standard housing as well as risk of reputational damage associated with such a failing.</p>	<p>Racing Homes has committed to providing housing of a high standard. We have appointed a new position of Property and Contracts Manager to implement a long-term asset management plan, overseen by the Director of Housing. The housing team continue to forge a close relationship with Jockey Club Estates to ensure immediate repairs are carried out quickly and safely.</p>

TRUSTEES' REPORT

Governance and Structure

Our Governance, Structure and Management Group Structure



Racing Welfare is the sole member of Racing Homes. Racing Welfare is a company limited by guarantee (company registration number 04116279) and a registered charity (charity registration number 1084042). Racing Homes is the sole trustee of The Rous Charity (charity registration number 1068581). The entire group benefits from the senior leadership team who sit within Racing Welfare. The other group charities benefit from the advice and guidance of all of Racing Welfare's sub committees.

For details on each committee please refer to Racing Welfare's consolidated financial statements.

Racing Homes is constituted as a company limited by guarantee, with governance arrangements set out in the charity's Memorandum and Articles of Association.

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 who 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 Chairman.

TRUSTEES' REPORT

Governance and Structure continued



Governance (continued)

We held three trustee strategy days in 2023 on environmental strategy, the evaluation of our services and a revisit of overall group 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 maximum number of trustees permitted is 15, and a minimum of 3. One third of the Trustees automatically retire each year (those being longest since appointment or reappointment) and may be re-elected. In line with the Charity Governance Code the charity imposes a maximum term of 9 years except where the permanent retirement would have a clear detrimental impact on the charity. All trustees are also directors. With the exception of one trustee, the remaining trustees are also trustees of Racing Welfare. The Racing Homes board is joined by one committee member who is not a trustee.

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.



TRUSTEES' REPORT

Governance and Structure continued

Employment Practices and Pay

Racing Homes, as part of the Racing Welfare group of charities, is developing our diversity, inclusion and equality agenda. A diversity and inclusion (D&I) champion has been appointed and 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.

All salaries for Racing Homes employees are benchmarked against salary rates across other similar organisations. The Director of Housing is part of the housing association benchmarking group Acuity and has created a staffing structure and remuneration rates that are competitive and fair.



All salary rates are proposed to the Finance, Investment and Audit Committee in Racing Welfare which approves any changes as part of the annual budget process for the group. 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. During the year remuneration received by key management personnel of Racing Homes totalled £81k (2022: £nil).

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. The senior management team has an ongoing agenda of reviewing the wellbeing of the workforce, introducing new initiatives, consulting with employees and undertaking specific training to improve leadership, 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 Homes' goals. There is work to do on internal communications and there is concern over there being uneven workloads across the group 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. The Racing Welfare group aims to host two staff forums per year where all staff meet for a programme of training and strategy setting. Racing Homes is also a member of National Housing Federation that also offers additional learning and training opportunities and several of the team are Chartered Institute of Housing members.

Employee Health and Safety training is delivered by The Jockey Club's health and safety online training programme, iHasco. This provides relevant, quality training as well as providing efficient monitoring.

TRUSTEES' REPORT

Governance and Structure continued

Fundraising

The charity does not undertake fundraising. All fundraising is carried out by Racing Welfare and any funds collected for projects which are to be delivered by Racing Homes are transferred via a restricted grant. Full details on the fundraising policies and practices of Racing Welfare are contained in the group consolidated financial statements.

No activities are undertaken by the Charity or by any person on behalf of the Charity for the purpose of fundraising, and in particular no professional fundraiser or commercial participator have carried on any such activities.

Neither the Charity nor any person acting on behalf of the Charity was subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising, in respect of activities on behalf of the Charity. In light of this, there was no failure to comply with a scheme or fundraising standard, and there was no requirement for any monitoring of activities carried on by any person on behalf of the Charity for the purpose of fundraising. No complaints have been received by the Charity or a person acting on its behalf about activities by the Charity or by a person on behalf of the Charity in connection with fundraising.

Whilst the trustees are aware and supportive of the need to protect vulnerable people and other members of the public from any fundraising activities that potentially puts people at risk, as the Charity does not undertake any fundraising, the trustees are confident that no one was put at risk from inappropriate fundraising activities of the Charity.

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. We have commissioned the review to take place for Racing Homes in 2024 with Racing Welfare's work on hold until funding of the Workforce Wellbeing Programme is clearer.



STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also directors of Racing Homes for the purposes of company law) are responsible for preparing the Trustees' 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company 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 so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

The Auditors, Price Bailey LLP, 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 4 June 2024 and signed on its behalf:



Simon Hope (Chairman)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RACING HOMES

Opinion

We have audited the financial statements of Racing Homes (the 'charitable company') for the year ended 31 December 2023, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2023, 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.

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'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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 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.

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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RACING HOMES

Other information (continued)

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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 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 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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 or from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement set out on page 23, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RACING HOMES

Responsibilities of trustees (continued)

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 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 company and how it operates and considered the risk of the charitable company not complying with the applicable laws and regulations, including fraud, and in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the charity, this included data protection, employment law and financial reporting.

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 grant income, and the depreciation policies of fixed assets.**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RACING HOMES

Auditor's responsibilities for the audit of the financial statements (continued)

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. This description forms part of our auditor's report.

Use of our report

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

STATEMENT OF FINANCIAL ACTIVITIES

INCLUDING INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2023

	Note	Unrestricted funds 2023 £'000	Restricted funds 2023 £'000	Total funds 2023 £'000	Total funds 2022 £'000 (note 21)
INCOME FROM:					
Donations and legacies		117.9	25.6	143.5	236.2
Charitable activities - Housing income		904.3	-	904.3	881.3
Investments		5.9	-	5.9	0.1
Other income		5.3	-	5.3	0.2
TOTAL INCOME	2	<u>1,033.4</u>	<u>25.6</u>	<u>1,059.0</u>	<u>1,117.8</u>
EXPENDITURE ON:					
Charitable activities	3	936.6	326.6	1,263.2	1,102.0
TOTAL EXPENDITURE		<u>936.6</u>	<u>326.6</u>	<u>1,263.2</u>	<u>1,102.0</u>
NET INCOME / (EXPENDITURE) FOR THE YEAR BEFORE GAINS AND LOSSES ON INVESTMENTS		96.8	(301.0)	(204.2)	15.8
Net gains (losses) on investments		18.1	-	18.1	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		<u>114.9</u>	<u>(301.0)</u>	<u>(186.1)</u>	<u>15.8</u>
Transfers between funds		452.5	(452.5)	-	-
NET MOVEMENTS IN FUNDS		<u>567.4</u>	<u>(753.5)</u>	<u>(186.1)</u>	<u>15.8</u>
Reconciliation of funds:					
Balances brought forward 1 January		4,688.9	7,704.3	12,393.2	12,377.4
Balances carried forward 31 December		<u>5,256.3</u>	<u>6,950.8</u>	<u>12,207.1</u>	<u>12,393.2</u>

STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

Company number 06489067

	Note	2023 £'000	2022 £'000
INTANGIBLE FIXED ASSETS	7	160.7	162.3
TANGIBLE FIXED ASSETS			
Housing properties	8	12,810.4	12,967.3
Other fixed assets	9	12.4	23.8
INVESTMENTS	10	665.7	-
		<u>13,649.2</u>	<u>13,153.4</u>
CURRENT ASSETS			
Debtors	11	165.5	681.9
Cash at bank and in hand		<u>217.8</u>	<u>559.3</u>
		383.3	1,241.2
CREDITORS: amounts falling due within one year	12	(215.3)	(350.3)
NET CURRENT ASSETS		<u>168.0</u>	<u>890.9</u>
CREDITORS: amounts falling due after more than one year			
Housing loans	13	(1,610.1)	(1,651.1)
NET ASSETS		<u>12,207.1</u>	<u>12,393.2</u>
THE FUNDS OF THE CHARITY			
Unrestricted reserves			
General fund		375.6	285.8
Designated reserves		4,880.7	4,403.1
Total unrestricted reserves	14	<u>5,256.3</u>	<u>4,688.9</u>
Restricted reserves			
Housing for racing industry staff		6,950.8	7,704.3
Total restricted reserves	14	<u>6,950.8</u>	<u>7,704.3</u>
TOTAL FUNDS		<u>12,207.1</u>	<u>12,393.2</u>

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

The financial statements of Racing Homes were approved by the Board of Directors and authorised for issue on 4 June 2024 and signed on its behalf by:



Simon Hope (Chairman)

The notes on pages 31 to 44 form part of these financial statements.

STATEMENT OF FINANCIAL CASHFLOWS

for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
Cash provided by operating activities	a)	469.7	(205.1)
Cash flows from investing activities:			
Purchase of tangible fixed assets	8,9	(122.7)	73.0
Purchase of investments		(647.6)	-
Net cash used in investing activities		<u>(770.3)</u>	<u>73.0</u>
Net cash used in financing activities			
Repayment of loans		(40.9)	(40.7)
Net increase/(decrease) in cash and cash equivalents		<u>(341.5)</u>	<u>(172.8)</u>
Cash and cash equivalents at 1 January		559.3	732.1
Cash and cash equivalents at 31 December		<u>217.8</u>	<u>559.3</u>

a) Reconciliation of net income for the year to net cash provided by operating activities

	2023 £'000	2022 £'000
Net (expenditure) / income for the year	(186.1)	15.8
(Gains) on investments	(18.1)	-
Depreciation and amortisation	292.7	284.4
Decrease / (Increase) in debtors	516.4	(416.7)
(Decrease) / Increase in creditors	(135.2)	(88.6)
Net cash inflow provided by operating activities	<u>469.7</u>	<u>(205.1)</u>

b) Analysis of net debt

	At 1 January 2023 £'000	Cash flows £'000	Non- Cash flows £'000	At 31 December 2023 £'000
Bank	559.3	(341.5)	-	217.8
Loans	(1,692.0)	40.9	-	(1,651.1)
	<u>(1,132.7)</u>	<u>(300.6)</u>	<u>-</u>	<u>(1,433.3)</u>
Borrowings				
Debt due within 1 year	(40.9)	40.9	(41.0)	(41.0)
Debt due after 1 year	(1,651.1)	-	41.0	(1,610.1)
	<u>(1,692.0)</u>	<u>40.9</u>	<u>-</u>	<u>(1,651.1)</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. ACCOUNTING POLICIES

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 (FRS 102) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Racing Homes 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.

Basis of consolidation

The charitable company is exempt by virtue of section 398 of the Companies Act 2006 from the requirement to prepare group accounts. The financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The directors have identified no material uncertainties and have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of approval of the financial statements, and the charity is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Income

Income from charitable activities represents rents and service charges receivable. All rental and service charge income is from social housing lettings. Grants and donations are recognised as income upon approval of application or receipt, whichever is sooner and only to the extent that any performance criteria has been met. Interest receivable is included in the accounts when due. 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.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Pensions - defined contributions pension plan

The charitable company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the charitable company pays fixed contributions into a separate entity. Once the contributions have been paid the charitable company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the charitable company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. ACCOUNTING POLICIES (CONT.)

Tangible fixed assets and depreciation

Housing properties are stated at deemed cost less accumulated depreciation; 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. Other fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected useful economic lives of the assets as follows:

Housing properties (including leasehold)	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 and computer equipment	33% per annum

Freehold land is not depreciated. The residual value (land) is calculated as a proportion of the deemed cost of the properties at the balance sheet date, calculated using the guidance issued by the National Housing Federation. The Charity capitalises expenditure on housing which results in an increase in net rental income, which adds to the value of the property or which extends its useful economic life.

Intangible fixed assets - nomination rights

Nomination rights cover the right to nominate 6 residents to Childwick House, Newmarket and 17 residents to Fielden Court, Kingsclere. They are depreciated in equal amounts over a period of 125 years. They are stated at net book value.

Interest payable

Interest payable is charged to the SOFA in the year which it accrues.

Irrecoverable VAT

All resources expended are 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.

Fund accounting

Unrestricted funds are those which are available for use at the discretion of the Trustees in furtherance of the general objects 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 notes to the financial statements. Restricted funds are those 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. ACCOUNTING POLICIES (CONT.)

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. INCOME

	2023 £'000	2022 £'000
Donations and legacies		
Grants received - restricted	25.6	208.2
Donations - unrestricted	-	28.0
Legacies - unrestricted	117.9	-
	<u>143.5</u>	<u>236.2</u>
Charitable activities		
Rent receivable net of identifiable service charges	850.4	834.4
Service charges receivable	53.9	46.9
	<u>904.3</u>	<u>881.3</u>
Investment income		
Interest receivable	5.9	0.1
	<u>5.3</u>	<u>0.2</u>
Other income		
	<u>1,059.0</u>	<u>1,117.8</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

3. TOTAL EXPENDITURE

	Activities undertaken 2023 £'000	Support costs 2023 £'000	Total 2023 £'000	Total 2022 £'000
Charitable activities				
Provision of social housing (note 4)	1,206.9	56.3	1,263.2	1,102.0
	<u>1,206.9</u>	<u>56.3</u>	<u>1,263.2</u>	<u>1,102.0</u>
Support costs				
Overheads and administration costs			46.0	46.0
Governance			10.3	8.6
			<u>56.3</u>	<u>54.6</u>

Audit fees included in support costs amount to £6.0k (2022: £4.9k)

Management and administration overheads of £46k (2021: £46k) allocated to the charity from Racing Welfare are apportioned on the basis of Racing Welfare staff time spent on Racing Homes matters.

4. ANALYSIS OF SOCIAL HOUSING COSTS

	Total 2023 £'000	Total 2022 £'000
Operating costs		
Management costs	388.3	364.2
Service charges	175.6	146.4
Maintenance of properties	294.3	219.6
Governance costs	10.3	8.6
Bad debts	3.9	7.5
Loan interest	98.1	71.3
Depreciation of housing properties	265.2	268.3
Depreciation of fixtures and fittings	11.4	14.5
Loss on disposal of fixed assets	14.5	-
Amortisation of nomination rights	1.6	1.6
Expenditure on social housing	<u>1,263.2</u>	<u>1,102.0</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

5. STAFF COSTS

	Total 2023 £'000	Total 2022 £'000
Wages	234.1	193.1
Employer's national insurance contributions	24.1	20.5
Pension costs	21.4	15.1
Total	279.6	228.7

The average number of staff in the year was 6 (2022: 5)

One employee earned between £60,000 and £70,000 in the year (2022: No employees earned over £60,000).

Key staff are deemed to be the Chief Executive Officer (CEO), Chief Operating Officer (COO) of Racing Welfare and the Director of Housing. The CEO and COO are employed by Racing Welfare. The Director of Housing is employed directly by Racing Homes. The Charity incurred total remuneration costs of £80.9k in respect of the Director of Housing during the year (2022: £nil).

The charitable company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable by the charitable company to the fund and amounted to £21,400 (2022 - £15,100). Contributions totalling £2,069 (2022 - £1,712) were payable to the fund at the balance sheet date and are included in creditors.

6. DIRECTORS' REMUNERATION

No remuneration was paid to the Directors during the year, nor in the previous year. No travelling and subsistence expenses were paid in 2023 (2022: £nil).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

7. INTANGIBLE FIXED ASSETS

	Nomination Rights £
Cost	
At 1 January 2023 and 31 December 2023	197.7
Amortisation	
At 1 January 2023	35.4
Charge for year	1.6
At 31 December 2023	37.0
Net book value	
At 31 December 2023	160.7
At 31 December 2022	162.3

8. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Assets under development £'000	Freehold land and buildings £'000	Leasehold land and buildings £'000	Freehold improvements £'000	Totals £'000
Deemed cost					
At 1 January 2023	35.2	12,657.3	895.0	1,024.0	14,611.5
Additions	8.6	-	-	114.1	122.7
Disposals	-	(27.9)	-	-	(27.9)
At 31 December 2023	43.8	12,629.4	895.0	1,138.1	14,706.3
Depreciation					
At 1 January 2023	-	1,348.1	88.9	207.2	1,644.2
Charge for the year	-	190.7	11.5	62.9	265.1
On disposal	-	(13.4)	-	-	(13.4)
At 31 December 2023	-	1,525.4	100.4	270.1	1,895.9
Net book value					
At 31 December 2023	43.8	11,104.0	794.6	868.0	12,810.4
At 31 December 2022	35.2	11,309.2	806.1	816.8	12,967.3

Housing properties include freehold land of £3,111.3k (2022: £3,111.3k) that is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

8. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES (continued)

Historic cost	2023 £'000	2022 £'000
Gross cost	12,865.6	12,767.9
Accumulated depreciation on historical cost	(2,939.9)	(2,804.2)
	<u>9,925.7</u>	<u>9,963.7</u>
Housing properties, at deemed cost, comprise:		
Freeholds	13,811.3	13,716.5
Long leaseholds	895.0	895.0
	<u>14,706.3</u>	<u>14,611.5</u>

Housing properties include freehold land of £3,111.3k (2022: £3,111.3k) that is not depreciated.

9. TANGIBLE FIXED ASSETS - OTHER

	IT equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 January 2023	3.1	134.6	137.7
Additions	-	-	0.0
At 31 December 2023	<u>3.1</u>	<u>134.6</u>	<u>137.7</u>
Depreciation			
At 1 January 2023	0.2	113.7	113.9
Charge for the year	1.0	10.4	11.4
At 31 December 2023	<u>1.2</u>	<u>124.1</u>	<u>125.3</u>
Net book value			
At 31 December 2023	<u>1.9</u>	<u>10.5</u>	<u>12.4</u>
At 31 December 2022	<u>2.9</u>	<u>20.9</u>	<u>23.8</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

10. INVESTMENTS HELD AS FIXED ASSETS

	2023 £'000	2022 £'000
Listed securities		
Market value at 1 January	-	-
Additions	647.6	-
Net investment gains/(losses)	18.1	-
Market value at 31 December	<u>665.7</u>	<u>-</u>
Historic cost at 31 December	<u>647.6</u>	<u>-</u>
Listed investments are represented by:		
Trojan Income Fund (S Income)	422.4	-
Troja Fund (S Income)	243.3	-
	<u>665.7</u>	<u>-</u>

11. DEBTORS

	2023 £'000	2022 £'000
Rental debtors	24.0	22.1
Prepayments and accrued income	122.3	3.6
Due from the Rous Charity	7.8	16.0
Due from parent undertaking – Racing Welfare	7.9	615.9
Other debtors	3.5	24.3
	<u>165.5</u>	<u>681.9</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Other taxation and social security payable	9.2	6.5
Trade creditors	83.4	169.2
Accruals and deferred income	72.7	127.5
Other creditors	9.0	6.2
Housing loans	41.0	40.9
	<u>215.3</u>	<u>350.3</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

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

	2023 £'000	2022 £'000
Housing loans	1,610.1	1,651.1
	<u>1,610.1</u>	<u>1,651.1</u>
Analysis of Housing loans repayable by instalments:		
Within one year	41.0	40.9
Between one and two years	41.1	41.0
Between two and five years	124.6	124.0
After five years	1,444.4	1,486.1
	<u>1,651.1</u>	<u>1,692.0</u>

There are two housing loans:

- A loan with a total outstanding amount of £91.1k is secured on properties at Jack Jarvis Close, bears interest at a fixed rate of 15% per annum and is repayable over a period of 60 years from 1980.
- A £1,750.0k loan was taken out in 2019, secured against Summerhill House. The loan bears interest of 2.35% above base rate and is repayable over a period of 10 years from 2018 at £40k p.a with a break clause after 5 years. The balance will be paid on the maturity date.

14 RESERVES

	At 1 January 2023 £'000	Income in the year £'000	Expenditure in the year £'000	Investment gains £'000	Transfers £'000	At 31 December 2023 £'000
Unrestricted funds						
General fund	285.8	1,033.4	(715.1)	18.1	(246.6)	375.6
Designated - Fixed Asset Fund	2,270.5	-	(221.5)	-	219.8	2,268.8
Designated - Revaluation Reserve	2,132.6	-	-	-	(20.7)	2,111.9
Designated - Asset Management	-	-	-	-	500.0	500.0
Total unrestricted funds	<u>4,688.9</u>	<u>1,033.4</u>	<u>(936.6)</u>	<u>18.1</u>	<u>452.5</u>	<u>5,256.3</u>
Restricted funds						
Housing for Racing Industry Staff	6,678.0	-	(156.9)	-	53.6	6,574.7
HfRIS - Revaluation Reserve	379.5	-	-	-	(3.4)	376.1
Repairs and maintenance fund	146.8	-	(146.8)	-	-	-
Middleham Development	500.0	-	-	-	(500.0)	-
Young person support officer	-	25.6	(22.9)	-	(2.7)	-
Total restricted funds	<u>7,704.3</u>	<u>25.6</u>	<u>(326.6)</u>	<u>-</u>	<u>(452.5)</u>	<u>6,950.8</u>
Total funds	<u>12,393.2</u>	<u>1,059.0</u>	<u>(1,263.2)</u>	<u>18.1</u>	<u>-</u>	<u>12,207.1</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

14. RESERVES (CONT.)

	At 1 January 2022 £'000	Income in the year £'000	Expenditure in the year £'000	Investment gains £'000	Transfers £'000	At 31 December 2022 £'000
Unrestricted funds						
General fund	218.5	909.6	(680.8)	-	(161.5)	285.8
Designated - Fixed Asset Fund	2,299.9	-	(208.4)	-	179.0	2,270.5
Designated - Revaluation Reserve	2,160.7	-	-	-	(28.1)	2,132.6
Total unrestricted funds	4,679.1	909.6	(889.2)	-	(10.6)	4,688.9
Restricted funds						
Housing for Racing Industry Staff	6,788.1	-	(147.6)	-	37.5	6,678.0
HfRIS - Revaluation Reserve	382.8	-	-	-	(3.3)	379.5
Repairs and maintenance fund	27.4	172.9	(29.9)	-	(23.6)	146.8
Middleham Development	500.0	-	-	-	-	500.0
Young person support	-	8.1	(8.1)	-	-	-
Housing Support Officer	-	27.2	(27.2)	-	-	-
Total restricted funds	7,698.3	208.2	(212.8)	-	10.6	7,704.3
Total funds	12,377.4	1,117.8	(1,102.0)	-	-	12,393.2

The designated Fixed Asset Fund sets aside funds equivalent to the net book value of both tangible and intangible fixed assets (less; the value of fixed assets associated with the restricted reserve and any liability secured against the asset) and is intended to highlight reserves allocated for such use.

The designated Revaluation Reserve recognises the effect of the historic revaluation of our housing stock.

The restricted fund, Housing for Racing Industry, arises as a result of the transfer of housing assets from Racing Welfare. These assets were transferred 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 from Racing Welfare less any liability secured against the asset.

The restricted HFRIS - Revaluation Reserve recognises the effect of the historic revaluation of our housing stock.

The Repairs and Maintenance fund arises from grants received from Racing Welfare to be used for major repairs and maintenance or refurbishment works of housing stock.

The restricted Middleham Development fund arises from a grant received from Racing Welfare to be used towards the costs of a new development in Middleham, a key racing centre. The restriction was lifted by Racing Welfare's Trustees in 2023 and is now a designated reserve, earmarked to be used for planned maintenance of the housing stock - the Designated Asset Management Fund..

The restricted Young Person Support fund arises from a grant received from Racing Welfare towards security costs at a young persons scheme during the year.

The restricted Housing Support Officer fund arises from a grant received to be used towards the costs of employing a Housing Support Officer.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

14. RESERVES (CONT.)

Transfers between funds: 2023

An amount of £72.4k was transferred from the Revenue Reserve to the Designated Fixed Asset Fund, being additions to designated assets that were funded from the Revenue Reserve. Also funded by the revenue reserve were loan repayments of loans secured against designated assets totalling £126.7k. £20.7k was transferred from the designated Fixed Asset Fund to the Designated Revaluation Reserve being movement on the Revaluation Reserve.

An amount of £50.2k was transferred from the Revenue Reserve to the Restricted Fixed Asset Fund, being additions to restricted assets that were funded from the Revenue Reserve. £3.4k was transferred from the Restricted Fixed Asset Fund to the Restricted Revaluation Reserve being movement on the Revaluation Reserve.

The restriction on the £500k Middleham Development Fund was lifted and this amount was designated to be spent on the charity's asset management plan.

£2.7k was transferred from the Restricted Young Person Support Officer fund to the Revenue Reserve being a grant received during 2023 for costs incurred in 2022 and paid from general funds.

Transfers between funds: 2022

An amount of £22.4k was transferred from the Revenue Reserve to the Designated Fixed Asset Fund, being additions to designated assets that were funded from the Revenue Reserve. Also funded by the revenue reserve were loan repayments of loans secured against designated assets totalling £112.2k and development costs of £16.3k, for which transfers from general funds to designated funds has been made.

An amount of £23.6k was transferred from the Restricted Repairs and Maintenance Fund to the Restricted Housing for Racing Industry Staff Fund being capitalised property refurbishments of restricted assets paid from restricted funds.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total £'000
As at 31 December 2023				
Fixed assets	6,950.8	6,031.7	-	12,982.5
Investments	-	352.5	313.2	665.7
Current Assets	-	-	383.3	383.3
Current liabilities	-	(41.0)	(174.3)	(215.3)
Long-term liabilities	-	(1,610.1)	-	(1,610.1)
	<u>6,950.8</u>	<u>4,733.1</u>	<u>522.2</u>	<u>12,206.1</u>
As at 31 December 2022				
Fixed assets	7,058.3	6,095.1	-	13,153.4
Current Assets	646.0	-	595.2	1,241.2
Current liabilities	-	(40.9)	(309.4)	(350.3)
Long-term liabilities	-	(1,651.1)	-	(1,651.1)
	<u>7,704.3</u>	<u>4,403.1</u>	<u>285.8</u>	<u>12,393.2</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

16. CONNECTED CHARITIES

The Charity has some directors and administration in common with the following charities:

- Racing Welfare
- The Rous Charity

These charities have the same principal office as Racing Homes.

Racing Welfare is the sole member of the Charity. Its charitable objects include the relief of poverty and distress amongst people working in, or retired from, the thoroughbred racing and breeding industry and their dependants. This is congruent with the objects of Racing Homes.

The Rous Charity is an almshouse charity, of which Racing Homes is the sole Trustee.

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: £190.6k).

Balances due to/(from) Racing Homes were as follows:

	2023 £'000	2022 £'000
Amounts due from Racing Welfare	7.9	615.9
Amounts due from the Rous Charity	7.8	16.0
Amounts due (to) Jockey Club Estates Limited	<u>(17.3)</u>	<u>(135.3)</u>

During the year £46k (2022: £46k) in respect of management and administration overheads were allocated to the Charity by Racing Welfare. The Racing Welfare group manages its cash across entities as needed, therefore inter-charity balances are perpetually in existence.

During the year total grants of £22.9k (2022: £208.2k) were received from Racing Welfare.

The charity collects rents on behalf of the Rous Charity and pays for shared costs between the two charities. During the year the charity collected rents amounting to £70,111 (2022: £64,404) on behalf of the Rous Charity and received shared costs attributable to the Rous Charity of £51,421 (2022: £48,407), including staff costs of £23,089 (2022: £22,232). During the year the charity allocated overheads with a value of £4,000 (2022: £4,000) to the Rous Charity.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

17. PARENT AND ULTIMATE CONTROLLING PARTY

The charity's parent undertaking is Racing Welfare, Charity number 1084042, Company registration number 04116279, whose address is the same as Racing Homes and whose charitable objectives are the relief of poverty, sickness, injury and the advancement of education to those employed or formally employed in the racing industry.

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.

During the year The Jockey Club provided professional services to the charity, valued at £14k (2022: £27k), free of charge. This has been recognised as a donation in kind and a management cost in the statement of financial activities.

18. CONTINGENT LIABILITIES

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.

19. OPERATING LEASE COMMITMENTS

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

	2023 £'000	2022 £'000
Payments due:		
Within one year	6.0	8.0
Within two to five years	-	6.0
	<u>6.0</u>	<u>6.0</u>

20. CAPITAL COMMITMENTS

	2023 £'000	2022 £'000
Contracted future capital expenditure not provided for	25.2	-
	<u>25.2</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2023

21. STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR YEAR ENDED 31ST DECEMBER 2022

	Note	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Total funds 2022 £'000
INCOME FROM:				
Donations and legacies		28.0	208.2	236.2
Charitable activities	2	881.3	-	881.3
Other income		0.2	-	0.2
Investments		0.1	-	0.1
TOTAL INCOME		<u>909.6</u>	<u>208.2</u>	<u>1,117.8</u>
EXPENDITURE ON:				
Charitable activities	4	889.2	212.8	1,102.0
TOTAL EXPENDITURE		<u>889.2</u>	<u>212.8</u>	<u>1,102.0</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR		20.4	(4.6)	15.8
Transfers between funds		(10.6)	10.6	-
NET MOVEMENT IN FUNDS		<u>9.8</u>	<u>6.0</u>	<u>15.8</u>
Balances brought forward 1 January		4,679.1	7,698.3	12,377.4
Balances carried forward 31 December		<u>4,688.9</u>	<u>7,704.3</u>	<u>12,393.2</u>

Racing Homes

England & Wales - Charity number 1122961

Accounts



RACING HOMES

Report and Financial Statements

31 December 2022

Registered charity number: 1122961

Company registration number: 06489067

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LEGAL AND ADMINISTRATIVE DETAILS

TRUSTEES AND DIRECTORS

Simon Hope (Chair)

William Barlow

Craig Gasper

Patrick Russell

Simon Stockley (Appointed June 2023)

EXECUTIVE

Dawn Goodfellow - Chief Executive

Wendy Botterill - Director of Housing

REGISTERED OFFICE

Robin McAlpine House

20B Park Lane

Newmarket

Suffolk

CB8 8QD

SOLICITORS

Taylor Vinters

Merlin Place

Milton Road

Cambridge

CB4 0DP

AUDITORS

Price Bailey LLP

Tennyson House

Cambridge Business Park

Cambridge

CB4 0WZ

BANKERS

Barclays Bank Plc

58 High Street

Newmarket

Suffolk

CB8 8NM

CHAIR'S STATEMENT

Our Chair, Simon Hope, reflects on 2022

Running a small housing association, committed to providing high quality accommodation at affordable rents, in the current economic climate is extremely challenging. Compliance requirements and upcoming environmental legislation require capital investment and in-house expertise to plan and deliver a substantial programme of works. This is hard to achieve in a small-scale operation. The board made the decision to invest in the team by employing a new Director of Housing and a Property and Contracts Manager in order that the portfolio can achieve the required levels of health and safety compliance and can continue to deliver a standard of housing which sets the bar for housing in the industry. The team have done an excellent job. An effect is an increase in our cost base and our maintenance expenditure, although necessary to maintain national standards, has created pressures on the board to increase income to ensure that Racing Homes operates a financially viable model. The board are very conscious of the impact this will have on tenants who are also beneficiaries of our parent charity, Racing Welfare. Tenant welfare is prioritised alongside the financial demands of the portfolio. To that end the board have agreed to minimise rent increases where possible and we are grateful to Racing Welfare for the grant of £172,939 (2021: £225,223) received in the year to subsidise rents. This has been used to fund the maintenance programme in 2022.

The development plans in Middleham look positive but we continue to suffer the immense frustrations of planning delays due to the reorganisation of District Councils in North Yorkshire to form a unitary authority. Our plans in Lambourn have become unviable, again these having been heavily impacted by the delays from West Berkshire Council and the response to the nutrient neutrality legislation. We will explore alternative options for satisfying the housing need in the area and will revisit our funding options.

On behalf of the board, I would like to thank the team at Racing Homes and those at Racing Welfare who contribute to the ongoing success of the charity, enabling it to effectively deliver its charitable objectives.



Simon Hope
Chair



TRUSTEES' REPORT

Objectives and Activities

The Trustees present their annual report and the audited financial statements of the charity for the year ended 31 December 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

OBJECTIVES AND ACTIVITIES

WHO WE ARE

Racing Homes is the wholly owned subsidiary of Racing Welfare and the two charities work very closely together, both operationally and via their aligned charitable objectives. Racing Homes shares senior management resource and some of its trustees with Racing Welfare. Operationally it has its own fantastic team of employees.



WHAT WE DO

The principal activity of the charity is the provision of affordable housing. Racing Homes' objects, as described formally in its governing document, are to provide affordable housing and associated amenities to those people that need it. In particular, the charity has a focus on providing specially designed or adapted living facilities for those retired beneficiaries who require them due to disability.

Racing Homes manage a housing stock of 165 units (2021: 165) of accommodation. Six of these units are owned by Epsom Racing Staff Welfare (2021: six) and 13 by Racing Homes' subsidiary charity, The Rous Charity (2021: 13). In addition, Racing Homes has 23 nomination rights in retirement properties across Newmarket and Lambourn (2021: 23).

The whole portfolio is broken down into schemes. Each scheme houses either retired beneficiaries, young people or working staff. In more recent years the Trustees, in reviewing which group of the racing community had the greatest need for access to affordable housing, decided to transition away from housing working staff and focus on young and retired.

TRUSTEES' REPORT

Objectives and Activities continued

Today, the majority of the portfolio provides housing for these two beneficiary groups:

Young People – 23 % of the portfolio

This decision was made due to the difficulty faced by young people who work in horseracing in accessing affordable, safe accommodation. Horseracing employs a relatively high proportion of young people. For many, this can mean the first time they are living away from home. For our young person's accommodation we deem and accept applications for housing from persons aged 18 – 24 years.

Research has shown that a relatively high attrition rate from the industry, by people in this group, can often be attributed to the experiences encountered outside of their employment. Providing schemes of accommodation where young people can be supported in their transition to independent living, has been shown to improve retention and well-being. During the year the charity took the reluctant decision to cease housing under 18's. The provision of safe and good quality housing for this age group remains essential, however, Racing Homes is unable to provide the level of care and support within its existing resource to meet the expectations and safeguarding needs for those deemed as children. This policy change was communicated to trainers, British Horseracing Authority (BHA), British Racing School (BRS) and National Horseracing College (NHC).

Older People – 70% of the portfolio

The competition for social housing is fierce, particularly in many of those areas densely populated by horseracing businesses. Racing Homes commissioned a housing needs survey in 2015 which established that, due to the location of the racing centres, there is a lack of availability of suitable housing and in all cases, house prices are very high. Our older person schemes provide independent living to those over 55 years of age.



TRUSTEES' REPORT

Objectives and Activities continued

Working Staff – 7% of the portfolio

This percentage has decreased over the last five years and now only two schemes still remain dedicated to working staff. This allows the charity to keep a small number of units available, should we have particularly vulnerable beneficiaries or those with special requirements.

WHAT WE DO (continued)

The Racing Welfare group work very closely with Epsom Racing Staff Welfare, a charity with similar objects, based solely in the racing hub of Epsom. The charity owns two three bedroom houses which are managed by the Racing Homes team. In addition, the finance and administration function is provided by Racing Welfare. In 2023 Epsom Racing Staff Welfare is expected to formally merge with Racing Welfare.

A number of our properties have disabled living adaptations and the Racing Homes team work closely with welfare officers from Racing Welfare to ensure that tenants' needs are monitored and any special adaptations or equipment is installed.

Affordability is a key part of the charity's objects and the trustees have bench-marked and consulted with both the housing team and the welfare team at Racing Welfare, in order to set rent levels. A significant proportion of tenants receive statutory benefits which subsidise or fulfil rental values up to Local Housing Allowances. For young people, Local Housing Allowance rates have been evaluated by the welfare team as affordable for those on standard age-related wage rates in the industry. As such the trustees agreed to transition to Local Housing Allowance rent rates over a 10 year period from 2019. There will be a gradual increase for existing tenants and immediate increase on new tenancies, which are subject to affordability testing prior to sign up.



TRUSTEES' REPORT

Objectives and Activities continued

In 2019 the completion of the newest scheme, Summerhill House, set a new benchmark for the quality of housing Racing Homes aspires to provide across its entire portfolio. The Trustees are looking at an ambitious 10-year plan, expanding the property portfolio in those areas with the greatest need. Quality, affordable housing for all of racing's workforce, which is estimated at 20,000 people, is not something that can realistically be achieved by a portfolio and charity of this size. However, in 2023 and beyond the trustees will consider how it can be the driving force behind a significant step change in the racing industry that will ensure that all racing's workforce have access to quality, safe and affordable housing. This can only be achieved by working closely with the regulatory body for racing and other key stakeholders in the industry.

WHERE WE DO IT

Whilst there is a concentration of racing industry staff in the main horseracing training centres shown on the map, racing businesses and their employees can be found in all counties throughout Great Britain. The collaboration with Racing Welfare, who geographically cover the entire country, enables Racing Homes to support and advise the workforce on general housing issues, regardless of whether they are a current tenant. The strategy developed in 2020 will see Racing Homes widen this reach, through direct support or by influencing macro level change in employee housing.

The Trustees referred to the guidance contained on 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, they have considered how planned activities will contribute to the aims and objectives of the charity and remain confident that they continue to satisfy the statutory requirements - albeit that the charity limits the services it provides to those working in, the horseracing and thoroughbred breeding industry. (See 'Achievements and Performance, page 7).



TRUSTEES' REPORT

Achievements and Performance

ACHIEVEMENTS AND PERFORMANCE

WHAT WE HAVE ACHIEVED

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

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

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 an option to purchase if planning consent can be achieved. This site, if successful, would provide more flexibility in terms of build specification than Hill House and it would allow the charity to consider the environmental impact of the build in a way that is not possible with the development of a listed property. For this reason the development of Hill House is remains on hold whilst planning permission is applied for on the new site.

TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE HAVE ACHIEVED (continued)

Lambourn

In line with the Growth Strategy produced by Savills in 2020, Racing Homes continue to consider development opportunities in areas with the greatest housing need. Research identified that Lambourn has a significant shortage of racing staff accommodation, and this is a limiting factor for the success of training businesses in the area. Racing Homes acquired an agreement to purchase a property with a parcel of land in the centre of the village, conditional on achieving planning. The planning process has been very challenging and long, the latest issue to be presented was the moratorium on decisions imposed on 42 councils across the country in March of 2022. The new rules imposed in relation to nutrient neutrality meant that Berkshire County Council would spend the next 12 months recruiting an inhouse expert to assess planning applications and the council would inform us that no applications would be processed until later in 2023. These further delays, the significant rise in build costs since we embarked on the project and the associated impact on land prices has seen the Racing Homes trustees make the decision to look at other housing options in the area. As a number of years have passed since we started this journey, the executive will also conduct another housing needs survey in 2023.



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE HAVE ACHIEVED (continued)

Case Study - Beth, 19

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

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

The Racing Homes initiative offers accommodation with the benefit of a project worker who supports young people with life skills to prepare for moving into private accommodation at the end of their stay. Recalling her enjoyable experience, she said: "It was nice to have people around you of similar ages. You had your own space so could spend time on your own if you wanted to, or you could all chill together and socialise. In the summer we'd do loads of things together. I enjoyed [my time there]."

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

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

Racing Welfare's Housing Support Officers, Sue Shirley and later Sarah Ashley, oversaw all the young people living at MacDonald Buchanan house during that time. Beth said: "They were both really friendly, and if there were ever any problems they would sort them out - if you needed them they were always there for you."

Beth used the money she saved during her time at MacDonald Buchanan House to put down a deposit on a two-bedroom house, which she rents with a friend who also works in racing. She closes by saying: "Had I not had the option of [Racing Welfare's] affordable accommodation it would have been much more difficult for me to save up for my driving lessons and my own place."

In 2021 we issued a customer survey to gather feedback on what our tenants thought of our service which was substantially positive for example, 84% of our tenants are satisfied with the service provided by Racing Homes and the quality of their homes. 91% of tenants are satisfied with where they live and 98% feel safe in their homes. However, there were some areas we could improve, and the Housing Team have taken action to act on this feedback throughout 2022. We have given our tenants the opportunity to engage with us more through the roll out of an annual program of resident meeting on our housing schemes and to accompany the Housing Officer on an estate inspection. Remaining visible and approachable remain a top priority for us.

We have made it easier to access information by introducing a new text messaging service which tenants can use and also helps us to communicate important messages more easily. Improvements to our website to increase available information and improve accessibility are yet to take place but remains in our plan of action for 2023.

A newsletter was issued twice in the year which provided feedback on the resident survey and the action planned and undertaken. The newsletters also included informative articles which aimed to improve communication and knowledge of our services.

We also took action to address some specific comments and concerns raised in the survey such as backdoor replacements at Jack Jarvis which was a high priority for many of the residents living there. A further survey is planned in 2023.

TRUSTEES' REPORT

Achievements and Performance continued

HOW WE ACHIEVED IT

Racing Homes shares senior management team resource with Racing Welfare. The newly appointed Director of Housing oversees the day to day running of the charity reporting into the Chief Executive, with support from the Chief Operating Officer. For our capital projects work we are supported by the Group Property Team at the Jockey Club.

Racing Homes finance function is provided by the Racing Welfare finance team. Racing Homes has it's own accounts assistant who reports into the Finance and Operation Director of Racing.

Welfare, who in turn reports into the Chief Operating Officer. Welfare support and advice is provided by Racing Welfare's Welfare Team headed up by the Director of Welfare and fundraising for capital projects in Racing Homes is provided by Racing Welfare's fundraising team, headed up by the Head of Fundraising.

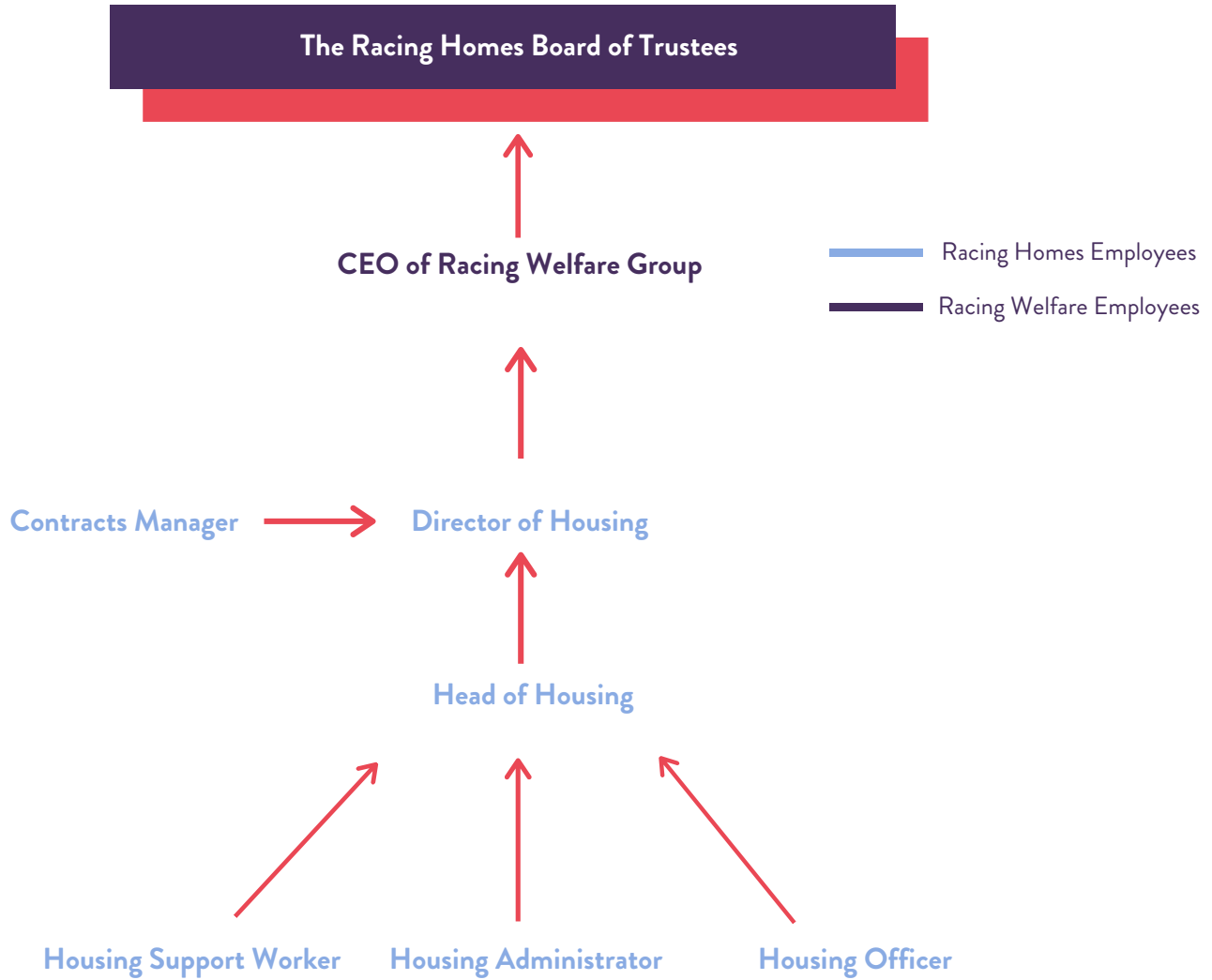
In addition to the close association with Racing Welfare's Welfare Team, Racing Homes employs a Young Person Project Officer. The role was introduced in 2019 and they are on hand to check in with the residents, giving guidance and carrying out reviews, these cover a range of topics such as debt and budgeting, health, people, support, choices and behaviour. The focus is on providing residents with life skills to live independently and be able to sustain a tenancy in private housing once their two year stay comes to an end with us. The emphasis is on providing holistic support to enable them to thrive in both their home and work lives. This post was funded in 2022 by a grant from Racing Welfare, made possible by the generous support of Dr Johnny Hon.



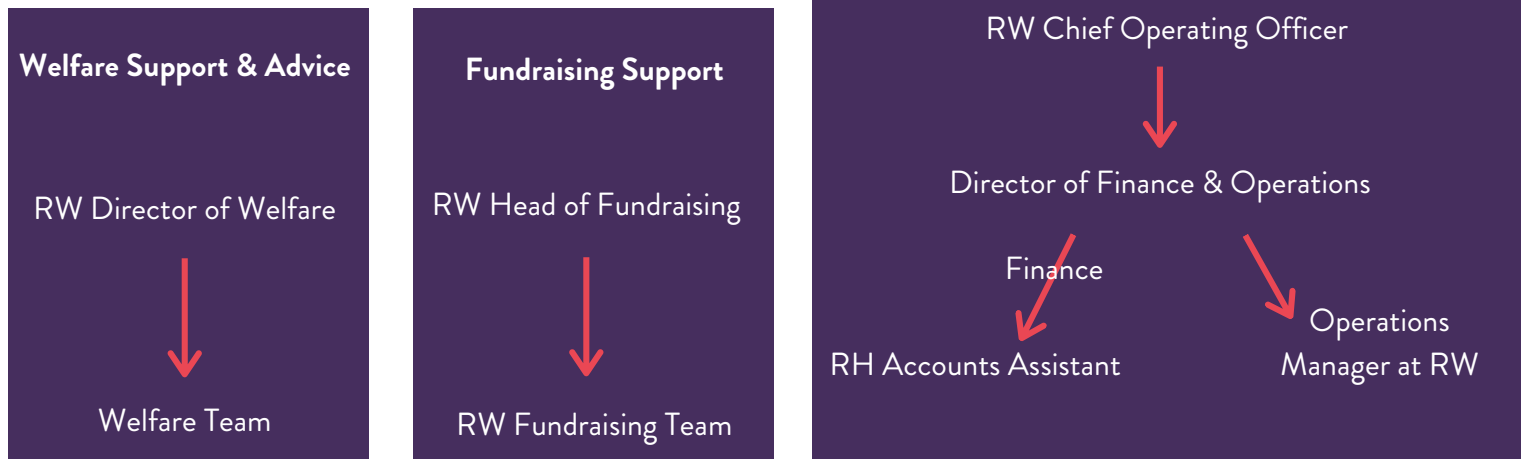
TRUSTEES' REPORT

Achievements and Performance continued

HOW WE ACHIEVED IT (continued)



Support Services Provided by Racing Welfare



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE PLAN TO DO NEXT

In 2022 the Director of Housing and the new Contracts Manager started the process of developing a comprehensive asset management plan in order that the standard and safety of our properties can be maintained, and a rolling programme of works can be developed. The legislative requirements in relation to the energy efficiency of our homes is also expected to have a significant impact on our future investment levels and like all landlords, some units in our portfolio may prove uneconomical to retain. In 2023 the team will develop a manageable plan and go to tender on the major works programme whilst the board consider the make up of the portfolio. Feedback in the 2021 tenant satisfaction survey also indicated that the maintenance and repair of our homes and knowing what our investment plans are is important to our tenants. Adopting a planned investment approach will enable the housing team to better communicate where and when we intend to carry out works to either their homes or communal areas where they live.

The trustees have considered the housing associations ability to finance this programme of works and it recognises that a history of maintaining rent rates at social housing levels, without the benefit of government grant funding, has left the charity with insufficient reserves to deliver these works. It is imperative that the trustees maintain their decision of three years ago, to move rents to those aligned with Local Housing Allowance (LHA) rates over a 10 year period. In the interim the housing association is reliant on the option to request an annual grant from Racing Welfare for the difference between rent charged and what would have been charged at LHA rates. Racing Welfare provides this grant on the basis that it would prefer a gradual increase for its beneficiaries to ease the impact of any increased living costs.

The board considered at length the rent increase applied in January 2023. The maintenance programme works required, alongside the trajectory to LHA rates suggested that an increase of up to 8% should be applied (2021:3%). However, the cost of living crisis led the trustees to cap the increase at 5% (2021: 3%) in order that tenants were protected against the higher increase in such a difficult year. The board and executive are now tasked with developing a plan to finance the asset management plan.



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE PLAN TO DO NEXT (continued)

Health and Safety of our homes and estates remains of paramount importance and significant time and resource has been spent ensuring we have robust compliance practices in place. Fire risk reviews were carried out all housing schemes with internal communal area. Racing Homes carried out a number of fire safety upgrades to further improve safety with more work programs planned in 2023, Our electrical testing program concluded in 2022 which also saw large scale electrical upgrades undertaken in many of our homes and communal areas.

The government decarbonisation strategy aims for the UK economy to become net carbon zero by 2050. This will have a significant impact on the housing sector. We have started to undertake work to help us form our own strategy. Our initial steps have been to capture the essential energy information and work with an external consultant to measure our current carbon footprint. 2023 will see us announce our own commitment and to develop a strategy to achieve it alongside our existing asset management strategy and plan.

Gaining planning permission in Middleham and investigating new opportunities in Lambourn will remain a priority for the housing development team who continue to carefully assess the risks associated with development and revisiting budgets and costings. Financing our projects is still an area of focus for the team, along with planning how we can begin to work towards our vision: that everyone from the horseracing and breeding industry has access to high quality, affordable, safe housing. This is alongside our mission: to sustainably grow a high quality, affordable housing portfolio that demonstrates best practice in housing management and delivers services that improve beneficiaries' lives.



TRUSTEES' REPORT

Financial Review

OUR FINANCIAL PERFORMANCE

Our Income

The total income for the year was £1,117.8k (2021: £1,110.8k), the small increase due to increased rents receivable.

Income from housing activities increased by 5% in 2022 (2021: 8%), the effect of the charity's policy of adopting Local Housing Allowance-based rents for new tenants in refurbished properties alongside a general rent rate increase of 3%.

Our Expenditure

Expenditure in the year increased from £896.8k in 2021 to £1,102k. The charity has experienced an increase in management costs due to the expansion of the in-house team, a necessity to achieve compliance across the portfolio, alongside an increase in maintenance spend.

Net income for the year was £29.8k, down from £214.0k in 2021.

Balance Sheet

Cash is managed at a group level and has resulted in a balance of £443.0k due from Racing Welfare at the year-end (2021 £195.3k). The increase in costs has reduced cash at bank from £732.1k to £559.3k. Therefore there has been change in the net current asset position of the Charity to £904.9k at the end of 2022 from £705.5k a year earlier. Net assets as at 31 December 2022 remained at £12.4m (2021: £12.4m).

Managing our Reserves

Racing Homes holds reserves for the purpose of owning, maintaining and developing the housing portfolio. As at 31 December 2022 the charity held total reserves of £12.4m (2021 - £12.4m). Unrestricted funds amounted to £4.7m (2021 - £4.7m) and restricted funds were stated at £7.7m (2021 - £7.7m). Within the unrestricted funds are £4.4m (2021 - £4.5m) of designated funds which represent the net book value of fixed assets and associated liabilities that are not classified as restricted. The designated fund will be expended in line with the amortisation of the properties represented by the fund.

Restricted funds represent properties which have been transferred to Racing Homes with a restriction imposed relating to the requirement to house individuals working in or retired from the horseracing and breeding industry along with funds received towards future developments.

The charity has a reserves policy, in line with its parent, to keep six months of property management costs in free reserves. This is estimated at £250.0k. Free reserves, represented by the revenue reserve, are £299.8k as at 31 December 2022 (2021 - £218.5k).

TRUSTEES' REPORT

Financial Review continued

Going Concern

The trustees have considered whether there are any material uncertainties about the charity's ability to continue as a going concern.

With need to invest in the long-term maintenance of our housing stock, a requirement to spend an approximate additional £400,000 per year has been identified by the Director of Housing and Contracts Manager. This will be funded in part by the gradual increase in rents to LHA levels in conjunction with the annual grant applications to Racing Welfare.

The Directors note the inter-charity balance between Racing Welfare and Racing Homes. In 2023, the Finance, Investment and Audit Committee of Racing Welfare have approved a draw down from investments in part to repay that inter-charity loan.

The balance sheet impact is assessed as minimal, as the majority of the funds are represented by land and building of which there are no plans to liquidate. The majority of housing income is received from retired beneficiaries (74%) and a significant number of these people will be in receipt of state pension and/or benefits. Tenants facing hardship are able to access support through Racing Welfare. The Charity's forecasts cover a period of 12 months from the approval of this report and no issues were identified that would give rise to a going concern risk.

TRUSTEES' REPORT

Financial Review continued

Principal Risks and Uncertainties

Racing Homes 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. Racing Homes is included under Racing Welfare in terms of risk management and 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.

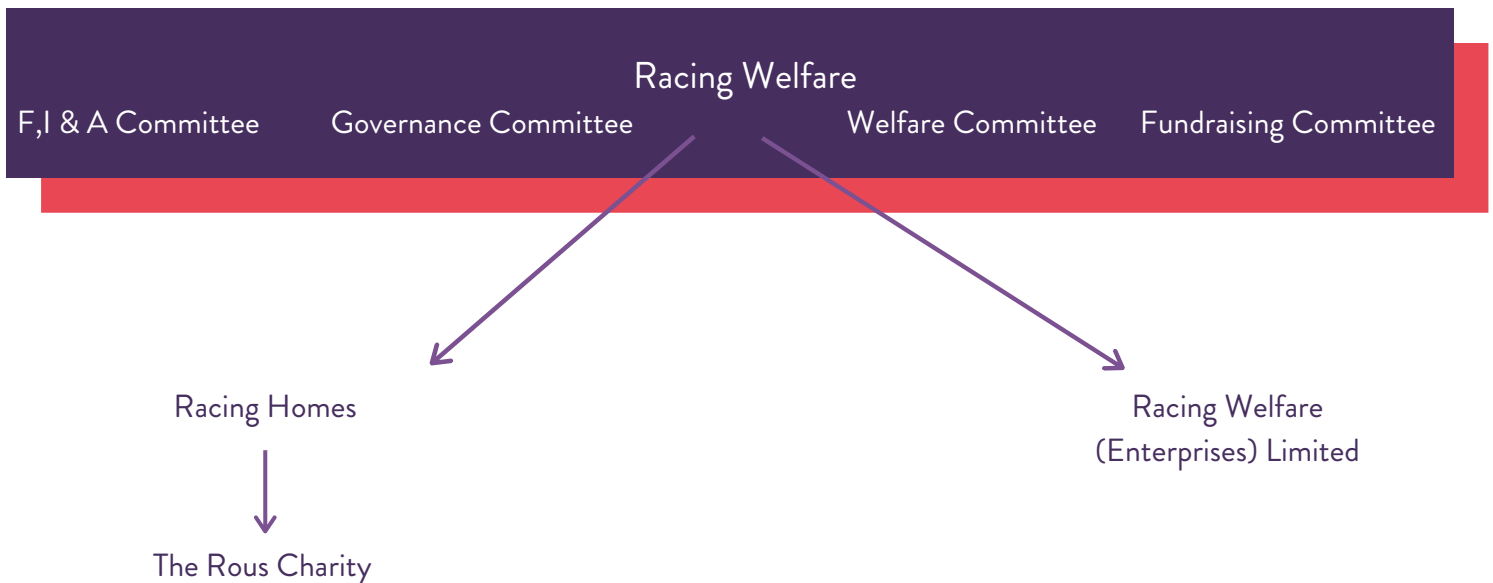
Set out in the table below are the principal risks that are specific to Racing Homes and actions taken to mitigate the risks. The trustees acknowledge that there are further, more generic risks, which are included on the charities risk register and may score highly but these risks are not listed here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

Risk Description	Risk Mitigation
<p>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 adopts Racing Welfare's 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 HR staff undergo Safer Recruitment training.</p>
<p>Non-compliance with electrical, gas and fire safety requirements:</p> <p>Failure to comply with safety requirements could lead to serious harm to tenants and property</p> <p>This is included due to the inherent risk of being a landlord, holding a portfolio of residential housing.</p>	<p>Fire risk assessments are conducted at all schemes, with recommended servicing and in house testing regimes of fire equipment/ systems in place. The Housing Team with the assistance of Racing Welfare personnel regularly check communal areas for good housekeeping. Annual PAT testing is conducted where appropriate in communal shared facilities along with five year fixed-wire testing. The central housing management software triggers compliance reminders in addition to internal management systems that monitor compliance activity and actionable safety tasks.</p>
<p>Stock deterioration</p> <p>Tenant, staff injury or detriment to health sustained from deterioration of housing stock or sub-standard housing as well as risk of reputational damage associated with such a failing.</p>	<p>Racing Homes has committed to providing housing of a high standard. We have appointed a new position of Property and Contracts Manager to implement a long-term asset management plan, overseen by the Director of Housing. The housing team continue to forge a close relationship with Jockey Club Estates to ensure immediate repairs are carried out quickly and safely.</p>

TRUSTEES' REPORT

Governance and Structure

Our Governance, Structure and Management Group Structure



Racing Welfare is the sole member of Racing Homes. Racing Welfare is a company limited by guarantee (company registration number 04116279) and a registered charity (charity registration number 1084042). Racing Homes is the sole trustee of The Rous Charity (charity registration number 1068581). The entire group benefits from the senior leadership team who sit within Racing Welfare. The other group charities benefit from the advice and guidance of all of Racing Welfare's sub committees. For details on the terms of reference for each committee please refer to Racing Welfare's consolidated financial statements.

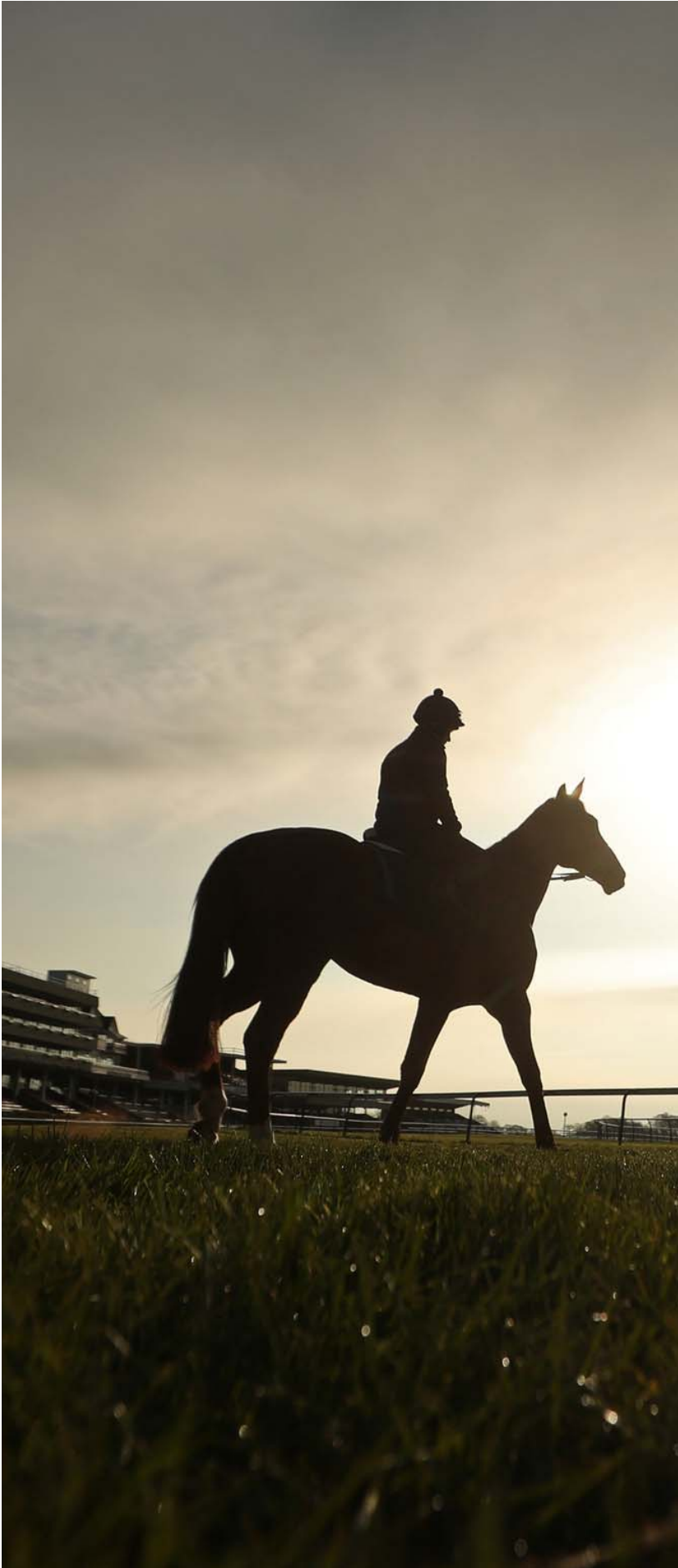
Racing Homes is constituted as a company limited by guarantee, with governance arrangements set out in the charity's Memorandum and Articles of Association.

The Trustees have fully adopted the Charity Governance Code. One of the outcomes of the adoption of the code was the creation of the Governance Committee in 2019, and since then numerous improvements have been implemented as a result of the work generated by the new committee. The initial review of the charity's performance against the Charity Governance Code provided a score given for each of the seven principles and identified priorities in relation to improving diversity and inclusion, board effectiveness and improving the way in which we communicate our governance to the public.

The impact of the work carried out by the committee and the executive has seen a significant increase in the diversity of thought on the various committees across the group, with 2 new committee members joining the board of Racing Homes, both from non-horseracing backgrounds.

TRUSTEES' REPORT

Governance and Structure continued



Governance (continued)

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

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

TRUSTEES' REPORT

Governance and Structure continued

Trustees

The maximum number of trustees permitted is 15, and a minimum of 3. One third of the Trustees automatically retire each year (those being longest since appointment or reappointment) and may be re-elected. In line with the Charity Governance Code the charity imposes a maximum term of 9 years except where the permanent retirement would have a clear detrimental impact on the charity. All trustees are also directors. With the exception of one trustee, the remaining trustees are also trustees of Racing Welfare. The Racing Homes board is joined by one committee member who is not a trustee.

The board is charged to use its best endeavours to ensure the composition of the board at any time represents an appropriate balance of skills including knowledge and experience of housing matters as well as activities within the horseracing industry. The newly implemented trustee recruitment process requires any trustee to join firstly as a committee member and serve at least 12 months prior to being considered by the board for trusteeship. New committee members are recruited according to any gaps identified by the trustee skills audit and a recruitment process is followed involving extensive advertising via internal and external channels. Each position's recruitment strategy is developed according to the specialism required and is signed off by the Chief Operating Officer who sits on the Governance Committee. The process has been designed to improve diversity on the board. All new committee members and trustees are provided with an induction programme so that they can fulfil their role on the Board. Trustees are DBS checked and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.



TRUSTEES' REPORT

Governance and Structure continued

Employment Practices and Pay

Racing Homes, as part of the Racing Welfare group of charities, is developing our diversity, inclusion and equality agenda. A diversity and inclusion (D&I) champion has been appointed and 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.

All salaries for Racing Homes employees are benchmarked against salary rates across other similar organisations. The Director of Housing is part of the housing association benchmarking group Acuity and has created a staffing structure and remuneration rates that are competitive and fair.

All salary rates are proposed to the Finance, Investment and Audit Committee in Racing Welfare which approves any changes as part of the annual budget process. 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. . During the year remuneration received by key management personnel of Racing Welfare totalled £369k (2021: £317k).

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. The senior management team has an ongoing agenda of reviewing the wellbeing of the workforce, introducing new initiatives, consulting with employees and undertaking specific training to improve leadership, all with the aim of maximising employee potential and satisfaction. In 2022 the organisation took part in a staff satisfaction survey. The results reported that: 100% of Racing Homes staff felt valued for the contribution they made to the organisation and that their wellbeing is a priority and that the work they do is worthwhile and enjoyable; 100% can see how the work they do makes a positive difference at Racing Welfare. 100% felt productive and equipped in their roles and are able to access support and resources when needed. This survey will be repeated in 2023.

An extensive learning and training programme is afforded to every employee with a mixture of online learning opportunities including LinkedIn Learning as well as traditional courses and qualifications.

Each year the Racing Welfare group hosts two staff forums where all staff meet for a programme of training and strategy setting. Racing Homes is also a member of National Housing Federation that also offers additional learning and training opportunities and several of the team are Chartered Institute of Housing members.

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TRUSTEES' REPORT

Governance and Structure continued

Employment Practices and Pay (continued)

Employee Health and Safety training is delivered by The Jockey Club's health and safety online training programme, iHasco. This provides relevant, quality training as well as providing efficient monitoring.

Fundraising

The charity does not undertake fundraising. All fundraising is carried out by Racing Welfare and any funds collected for projects which are to be delivered by Racing Homes are transferred via a restricted grant. Full details on the fundraising policies and practices of Racing Welfare are contained in the group consolidated financial statements.

No activities are undertaken by the Charity or by any person on behalf of the Charity for the purpose of fundraising, and in particular no professional fundraiser or commercial participator have carried on any such activities.

Neither the Charity nor any person acting on behalf of the Charity was subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising, in respect of activities on behalf of the Charity. In light of this, there was no failure to comply with a scheme or fundraising standard, and there was no requirement for any monitoring of activities carried on by any person on behalf of the Charity for the purpose of fundraising. No complaints have been received by the Charity or a person acting on its behalf about activities by the Charity or by a person on behalf of the Charity in connection with fundraising.

Whilst the trustees are aware and supportive of the need to protect vulnerable people and other members of the public from any fundraising activities that potentially puts people at risk, as the Charity does not undertake any fundraising, the trustees are confident that no one was put at risk from inappropriate fundraising activities of the Charity.

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 correlation and monitoring of energy usage, waste disposal, introducing hybrid or electric company cars, reducing paper waste in our offices and where possible meetings are held online and travel-green initiatives have been promoted at staff meetings where they are not. In the last quarter of 2022 the group engaged with an external consultant to measure the group's carbon footprint and to give the board the information it needs to develop an appropriate commitment and subsequent strategy. Racing Homes has legislative demands, in particular around EPC ratings, that will affect the commitment it makes, it will also require significant investment in our properties. This has been a significant part of the large programme of works that has been developed by the housing team and will see Racing Homes invest over £1.5m in its existing portfolio over the next three years.

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



STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also Directors of Racing Homes for the purposes of company law) are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently; observe the methods and principles in the charities SORP 2019 (FRS 102); make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the charity and enable it to ensure that the financial statements comply with the 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 Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Racing Welfare website.

Statement as disclosure to our auditors

In accordance with company law, the trustees, as the company's directors, certify that so far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware.

each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Auditors

Price Bailey LLP were appointed as auditors during the year and have expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

The trustees' report was approved on 15 September 2023 and signed on its behalf:



Simon Hope (Chairman)

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Racing Homes (the 'charitable company') for the year ended 31 December 2022, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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.

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'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.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least 12 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.

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 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.

INDEPENDENT AUDITOR'S REPORT

Other information (continued)

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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 Directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of 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 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 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- 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 or from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement set out on page 22, 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.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of trustees (continued)

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 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 company and how it operates and considered the risk of the charitable company not complying with the applicable laws and regulations, including fraud, and in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the charity, this included data protection, employment law and financial reporting.

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 grant income, and the depreciation policies of fixed assets.**

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the financial statements (continued)

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. This description forms part of our auditor's report.

Use of our report

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



Helena Wilkinson BSc FCA DChA (Senior Statutory Auditor)

For and on behalf of Price Bailey LLP

Chartered Accountants

Statutory Auditors

Tennyson House

Cambridge

CB4 0WZ

Date: 19 September 2023

STATEMENT OF FINANCIAL ACTIVITIES

INCLUDING INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 December 2022

	Note	Unrestricted funds 2022 £'000	Restricted funds 2022 £'000	Total funds 2022 £'000	Total funds 2021 £'000 (note 18)
INCOME FROM:					
Donations and legacies		28.0	208.2	236.2	271.0
Charitable activities - Housing income		881.3	-	881.3	839.7
Investments		0.1	-	0.1	0.1
Other income		0.2	-	0.2	-
TOTAL INCOME	2	<u>909.6</u>	<u>208.2</u>	<u>1,117.8</u>	<u>1,110.8</u>
EXPENDITURE ON:					
Charitable activities	3	889.2	212.8	1,102.0	896.8
TOTAL EXPENDITURE		<u>889.2</u>	<u>212.8</u>	<u>1,102.0</u>	<u>896.8</u>
NET INCOME FOR THE YEAR		<u>20.4</u>	<u>(4.6)</u>	<u>15.8</u>	<u>214.0</u>
Transfers between funds		(10.6)	10.6	-	-
NET MOVEMENTS IN FUNDS		<u>9.8</u>	<u>6.0</u>	<u>15.8</u>	<u>214.0</u>
Reconciliation of funds:					
Balances brought forward 1 January		4,679.1	7,698.3	12,377.4	12,163.4
Balances carried forward 31 December		<u>4,688.9</u>	<u>7,704.3</u>	<u>12,393.2</u>	<u>12,377.4</u>

STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

Company number 06489067

	Note	2022 £'000	2021 £'000
INTANGIBLE FIXED ASSETS	7	162.3	163.9
TANGIBLE FIXED ASSETS			
Housing properties	8	12,967.3	13,164.1
Other fixed assets	9	23.8	35.9
		<u>13,153.4</u>	<u>13,363.9</u>
CURRENT ASSETS			
Debtors	10	681.9	265.2
Cash at bank and in hand		559.3	732.1
		<u>1,241.2</u>	<u>997.3</u>
CREDITORS: amounts falling due within one year	11	(350.3)	(291.8)
NET CURRENT ASSETS		<u>890.9</u>	<u>705.5</u>
CREDITORS: amounts falling due after more than one year			
Housing loans	12	(1,651.1)	(1,692.0)
NET ASSETS		<u>12,393.2</u>	<u>12,377.4</u>
THE FUNDS OF THE CHARITY			
Unrestricted reserves			
General fund		285.8	218.5
Designated reserves		4,403.1	4,460.6
Total unrestricted reserves	13	<u>4,688.9</u>	<u>4,679.1</u>
Restricted reserves			
Housing for racing industry staff		7,704.3	7,698.3
Total restricted reserves	13	<u>7,704.3</u>	<u>7,698.3</u>
TOTAL FUNDS		<u>12,393.2</u>	<u>12,377.4</u>

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

The financial statements on pages 27 to 42 of Racing Homes were approved by the Board of Directors and authorised for issue on 15 September 2023 and signed on its behalf by:



Simon Hope (Chairman)

STATEMENT OF FINANCIAL CASHFLOWS

for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Cash provided by operating activities	a)	(205.1)	224.1
Cash flows from investing activities:			
Purchase of tangible fixed assets	8,9	73.0	(93.8)
Net cash used in investing activities		73.0	(93.8)
Net cash used in financing activities			
Repayment of loans		(40.7)	(40.6)
Net increase/(decrease) in cash and cash equivalents		(172.8)	89.7
Cash and cash equivalents at 1 January		732.1	642.4
Cash and cash equivalents at 31 December		559.3	732.1

a) Reconciliation of net income for the year to net cash provided by operating activities

	2022 £'000	2021 £'000
Net income/(expenditure) for the year	15.8	214.0
Depreciation and amortisation	284.4	282.0
(Increase) in debtors	(416.7)	(221.9)
(Decrease)/Increase in creditors	(88.6)	(50.0)
Net cash inflow provided by operating activities	(205.1)	224.1

b) Analysis of net debt

	At 1 January 2022 £'000	Cash flows £'000	Non- Cash flows £'000	At 31 December 2022 £'000
Bank	732.1	(172.8)	-	559.3
Loans	(1,732.7)	40.7	-	(1,692.0)
	(1,000.6)	(132.1)	-	(1,132.7)
Borrowings				
Debt due within 1 year	(40.7)	40.7	(40.9)	(40.9)
Debt due after 1 year	(1,692.0)	-	40.9	(1,651.1)
	(1,732.7)	40.7	-	(1,692.0)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

1. ACCOUNTING POLICIES

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 (FRS 102) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Racing Homes 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.

Basis of consolidation

The charitable company is exempt by virtue of section 398 of the Companies Act 2006 from the requirement to prepare group accounts. The financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The directors have identified no material uncertainties and have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of approval of the financial statements, and the charity is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Income

Income from charitable activities represents rents and service charges receivable. All rental and service charge income is from social housing lettings. Grants and donations are recognised as income upon approval of application or receipt, whichever is sooner and only to the extent that any performance criteria has been met. Interest receivable is included in the accounts when due.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Tangible fixed assets and depreciation

Housing properties are stated at deemed cost less accumulated depreciation; 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. Other fixed assets are stated at cost less accumulated depreciation.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

1. ACCOUNTING POLICIES (CONT.)

Depreciation is charged on a straight line basis over the expected useful economic lives of the assets as follows:

Housing properties (including leasehold)	2% per annum or over the lease term
Housing property improvements	10%-25% per annum
Housing property fixtures and fittings	25% per annum
IT and computer equipment	33% per annum

Freehold land is not depreciated. The residual value (land) is calculated as a proportion of the deemed cost of the properties at the balance sheet date, calculated using the guidance issued by the National Housing Federation. The Charity capitalises expenditure on housing which results in an increase in net rental income, which adds to the value of the property or which extends its useful economic life.

Intangible fixed assets - nomination rights

Nomination rights cover the right to nominate 6 residents to Childwick House, Newmarket and 17 residents to Fielden Court, Kingsclere. They are depreciated in equal amounts over a period of 125 years. They are stated at net book value.

Interest payable

Interest payable is charged to the SOFA in the year which it accrues.

Irrecoverable VAT

All resources expended are 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.

Fund accounting

Unrestricted funds are those which are available for use at the discretion of the Trustees in furtherance of the general objects 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 notes to the financial statements. Restricted funds are those 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

2. INCOME

	2022 £'000	2021 £'000
Donations and legacies		
Grants received - restricted	208.2	240.2
Donations - unrestricted	28.0	30.8
	<u>236.2</u>	<u>271.0</u>
Charitable activities		
Rent receivable net of identifiable service charges	834.4	788.8
Service charges receivable	46.9	50.9
	<u>881.3</u>	<u>839.7</u>
Investment income		
Interest receivable	0.1	0.1
	<u>0.2</u>	<u>-</u>
Other income		
	<u>0.2</u>	<u>-</u>
Total income	<u><u>1,117.8</u></u>	<u><u>1,110.8</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

3. TOTAL EXPENDITURE

	Activities undertaken 2022 £'000	Support costs 2022 £'000	Total 2022 £'000	Total 2021 £'000
Charitable activities				
Provision of social housing (note 4)	1,047.4	54.6	1,102.0	896.8
	<u>1,047.4</u>	<u>54.6</u>	<u>1,102.0</u>	<u>896.8</u>
Support costs				
Overheads and administration costs			46.0	46.0
Governance			8.6	17.0
			<u>54.6</u>	<u>63.0</u>

Audit fees included in support costs amount to £4.9k (2021: £4.8k)

Management and administration overheads of £46k (2021: £46k) allocated to the charity from Racing Welfare are apportioned on the basis of Racing Welfare staff time spent on Racing Homes matters.

4. ANALYSIS OF SOCIAL HOUSING COSTS

	Total 2022 £'000	Total 2021 £'000
Operating costs		
Management costs	364.2	282.6
Service charges	146.4	112.2
Maintenance of properties	219.6	126.7
Governance costs	8.6	17.0
Bad debts	7.5	3.7
Loan interest	71.3	72.6
Depreciation of housing properties	268.3	265.8
Depreciation of fixtures and fittings	14.5	14.6
Amortisation of nomination rights	1.6	1.6
Expenditure on social housing	<u>1,102.0</u>	<u>896.8</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

5. STAFF COSTS

	Total 2022 £'000	Total 2021 £'000
Wages	193.1	118.8
Employer's national insurance contributions	20.5	11.0
Pension costs	15.1	8.5
Total	228.7	138.3

The average number of staff in the year was 5 (2022: 3)

No employees earned over £60,000 in the year

Key staff, which are deemed to be The Chief Executive Officer and Chief Operating Officer of Racing Welfare along with Racing Homes's former Head of Housing (to December 2020), are employed by Racing Welfare or The Jockey Club Estates, therefore the Charity incurred total remuneration costs of £nil in this respect during the year (2021: £nil).

6. DIRECTORS' REMUNERATION

No remuneration was paid to the Directors during the year, nor in the previous year. No travelling and subsistence expenses were paid in 2022 (2021: £nil).

7. INTANGIBLE FIXED ASSETS

	Nomination Rights £
Cost	
At 1 January 2022 and 31 December 2022	<u>197.7</u>
Amortisation	
At 1 January 2022	33.8
Charge for year	1.6
At 31 December 2022	<u>35.4</u>
Net book value	
At 31 December 2022	<u>162.3</u>
At 31 December 2021	<u>163.9</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

8. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Assets under development £'000	Freehold land and buildings £'000	Leasehold land and buildings £'000	Freehold improvements £'000	Totals £'000
Deemed cost					
At 1 January 2022	18.9	12,657.3	895.0	968.8	14,540.0
Additions	16.3	-	-	55.2	71.5
At 31 December 2022	35.2	12,657.3	895.0	1,024.0	14,611.5
Depreciation					
At 1 January 2022	-	1,157.2	77.4	141.3	1,375.9
Charge for the year	-	190.9	11.5	65.9	268.3
At 31 December 2022	-	1,348.1	88.9	207.2	1,644.2
Net book value					
At 31 December 2022	35.2	11,309.2	806.1	816.8	12,967.3
At 31 December 2021	18.9	11,500.1	817.6	827.5	13,164.1

	2022 £'000	2021 £'000
Historic cost		
Gross cost	12,767.9	12,696.4
Accumulated depreciation on historical cost	(2,804.2)	(2,609.6)
	9,963.7	10,086.8
Housing properties, at deemed cost, comprise:		
Freeholds	13,716.5	13,645.0
Long leaseholds	895.0	895.0
	14,611.5	14,540.0

Housing properties include freehold land of £3,111.3k (2021: £3,111.3k) that is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

9. TANGIBLE FIXED ASSETS - OTHER

	IT equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 1 January 2022	1.6	134.6	136.2
Additions	1.5	-	1.5
At 31 December 2022	3.1	134.6	137.7
Depreciation			
At 1 January 2022	0.2	100.1	100.3
Charge for the year	-	13.6	13.6
At 31 December 2022	0.2	113.7	113.9
Net book value			
At 31 December 2022	2.9	20.9	23.8
At 31 December 2021	1.4	34.5	35.9

10. DEBTORS

	2022 £'000	2021 £'000
Rental debtors	22.1	30.3
Prepayments and accrued income	3.6	4.4
Due from the Rous Charity	16.0	26.9
Due from parent undertaking – Racing Welfare	615.9	195.3
Other debtors	24.3	8.3
	<u>681.9</u>	<u>265.2</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Other taxation and social security payable	6.5	0.5
Trade creditors	169.2	57.7
Accruals and deferred income	127.5	188.8
Other creditors	6.2	4.1
Housing loans	40.9	40.7
	<u>350.3</u>	<u>291.8</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

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

	2022 £'000	2021 £'000
Housing loans	1,651.1	1,692.0
	<u>1,651.1</u>	<u>1,692.0</u>
Analysis of Housing loans repayable by instalments:		
Within one year	40.9	40.7
Between one and two years	41.0	40.9
Between two and five years	124.0	123.5
After five years	<u>1,486.1</u>	<u>1,527.6</u>
	<u>1,692.0</u>	<u>1,732.7</u>

There are two housing loans:

- A loan with a total outstanding amount of £92.0k is secured on properties at Jack Jarvis Close, bears interest at a fixed rate of 15% per annum and is repayable over a period of 60 years from 1980.
- A loan was taken out in 2019, secured against Summerhill House. The loan bears interest of 3.55% and is repayable over a period of 10 years from 2018 at £40k p.a with a break clause after 5 years. The balance will be paid on the maturity date.

13. RESERVES

	At 1 January 2022 £'000	Income in the year £'000	Expenditure in the year £'000	Transfers £'000	At 31 December 2022 £'000
Unrestricted funds					
General fund	218.5	909.6	(680.8)	(161.5)	285.8
Designated - Fixed Asset Fund	2,299.9	-	(208.4)	179.0	2,270.5
Designated - Revaluation Reserve	2,160.7	-	-	(28.1)	2,132.6
Total unrestricted funds	<u>4,679.1</u>	<u>909.6</u>	<u>(889.2)</u>	<u>(10.6)</u>	<u>4,688.9</u>
Restricted funds					
Housing for Racing Industry Staff	6,788.1	-	(147.6)	37.5	6,678.0
HfRIS - Revaluation Reserve	382.8	-	-	(3.3)	379.5
Repairs and maintenance fund	27.4	172.9	(29.9)	(23.6)	146.8
Middleham Development	500.0	-	-	-	500.0
Young person support	-	8.1	(8.1)	-	-
Housing Support Officer	-	27.2	(27.2)	-	-
Total restricted funds	<u>7,698.3</u>	<u>208.2</u>	<u>(212.8)</u>	<u>10.6</u>	<u>7,704.3</u>
Total funds	<u>12,377.4</u>	<u>1,117.8</u>	<u>(1,102.0)</u>	<u>-</u>	<u>12,393.2</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

13. RESERVES (CONT.)

	At 1 January 2021 £'000	Income in the year £'000	Expenditure in the year £'000	Transfers £'000	At 31 December 2021 £'000
Unrestricted funds					
General fund	(25.7)	870.6	(490.3)	(136.1)	218.5
Designated - Fixed Asset Fund	2,056.0	-	(205.8)	449.7	2,299.9
Designated - Revaluation Reserve	2,188.8	-	-	(28.1)	2,160.7
Total unrestricted funds	4,219.1	870.6	(696.1)	285.5	4,679.1
Restricted funds					
Housing for Racing Industry Staff	7,058.1	-	(148.9)	(121.1)	6,788.1
HfRIS - Revaluation Reserve	386.2	-	-	(3.4)	382.8
Revaluation Reserve	-	-	-	-	-
Repairs and maintenance fund	-	225.2	(36.8)	(161.0)	27.4
Middleham Development	500.0	-	-	-	500.0
Housing Support Officer	-	15.0	(15.0)	-	-
Total restricted funds	7,944.3	240.2	(200.7)	(285.5)	7,698.3
Total funds	12,163.4	1,110.8	(896.8)	-	12,377.4

The designated Fixed Asset Fund sets aside funds equivalent to the net book value of both tangible and intangible fixed assets (less; the value of fixed assets associated with the restricted reserve and any liability secured against the asset) and is intended to highlight reserves allocated for such use.

The designated Revaluation Reserve recognises the effect of the historic revaluation of our housing stock.

The restricted fund, Housing for Racing Industry, arises as a result of the transfer of housing assets from Racing Welfare. These assets were transferred 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 from Racing Welfare less any liability secured against the asset.

The restricted HFRIS - Revaluation Reserve recognises the effect of the historic revaluation of our housing stock.

The Repairs and Maintenance fund arises from grants received from Racing Welfare to be used for major repairs and maintenance or refurbishment works of housing stock.

The restricted Middleham Development fund arises from a grant received from Racing Welfare to be used towards the costs of a new development in Middleham, a key racing centre.

The restricted Young Person Support fund arises from a grant received from Racing Welfare towards security costs at a young persons scheme during the year.

The restricted Housing Support Officer fund arises from a grant received to be used towards the costs of employing a Housing Support Officer.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

13. RESERVES (CONT.)

Transfers between funds: 2022

An amount of £22.4k was transferred from the Revenue Reserve to the Designated Fixed Asset Fund, being additions to designated assets that were funded from the Revenue Reserve. Also funded by the revenue reserve were loan repayments of loans secured against designated assets totalling £112.2k and development costs of £16.3k, for which transfers from general funds to designated funds has been made.

An amount of £23.6k was transferred from the Restricted Repairs and Maintenance Fund to the Restricted Housing for Racing Industry Staff Fund being capitalised property refurbishments of restricted assets paid from restricted funds.

Transfers between funds: 2021

An amount of £3.9k was transferred from the Revenue Reserve to the Designated Fixed Asset Fund, being additions to designated assets that were funded from the Revenue Reserve. Also funded by the revenue reserve were loan repayments of loans secured against designated assets totalling £113.2k and development costs of £18.9k, for which transfers from general funds to designated funds has been made.

An amount of £90.5k was transferred from the Restricted Repairs and Maintenance Fund to the Designated Fixed Asset Fund being refurbishments of designated properties paid from restricted funds. An amount of £70.5k was transferred from the Restricted Repairs and Maintenance Fund to the Restricted Housing for Racing Industry Staff Fund being capitalised property refurbishments of restricted assets paid from restricted funds.

It was identified in the year that the land on which Summerhill House was built should be classed as designated not restricted. As such a transfer of £195.0k has been made from the Restricted Housing for Racing Industry Staff Fund to the Designated Fixed Asset Fund.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total £'000
As at 31 December 2022				
Fixed assets	7,058.3	6,095.1	-	13,153.4
Current Assets	646.0	-	595.2	1,241.2
Current liabilities	-	(40.9)	(309.4)	(350.3)
Long-term liabilities	-	(1,651.1)	-	(1,651.1)
	<u>7,704.3</u>	<u>4,403.1</u>	<u>285.8</u>	<u>12,393.2</u>
As at 31 December 2021				
Fixed assets	7,170.9	6,193.0	-	13,363.9
Current Assets	546.4	-	450.9	997.3
Current liabilities	-	(40.7)	(251.1)	(291.8)
Long-term liabilities	-	(1,692.0)	-	(1,692.0)
	<u>7,717.3</u>	<u>4,460.3</u>	<u>199.8</u>	<u>12,377.4</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

15. CONNECTED CHARITIES

The Charity has some directors and administration in common with the following charities:

- Racing Welfare
- The Bentinck, Beresford and Rendlesham Charity
- The Rous Charity

These charities have the same principal office as Racing Homes.

Racing Welfare is the sole member of the Charity. Its charitable objects include the relief of poverty and distress amongst people working in, or retired from, the thoroughbred racing and breeding industry and their dependants. This is congruent with the objects of Racing Homes.

The Rous Charity is an almshouse charity, of which Racing Homes is the sole Trustee.

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 £190.6k (2021: £236.4k).

Balances due to/(from) Racing Homes were as follows:

	2022 £'000	2021 £'000
Amounts due from Racing Welfare	615.9	195.3
Amounts due from the Rous Charity	16.0	26.9
Amounts due (to) Jockey Club Estates Limited	<u>(135.3)</u>	<u>(36.2)</u>

During the year £46k (2021: £46k) in respect of management and administration overheads were allocated to the Charity by Racing Welfare. The Racing Welfare group manages its cash across entities as needed, therefore inter-charity balances are perpetually in existence.

During the year total grants of £208.2k (2021: £240.2k) were received from Racing Welfare.

The charity collects rents on behalf of the Rous Charity and pays for shared costs between the two charities. During the year the charity collected rents amounting to £64,404 (2021: £60,913) on behalf of the Rous Charity and received shared costs attributable to the Rous Charity of £48,407 (2021: £38,447), including staff costs of £22,232 (2021: £14,380). During the year the charity paid £Nil (2021: £47,000) to the Rous Charity in settlement of the inter-charity loan account.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

16. PARENT AND ULTIMATE CONTROLLING PARTY

The charity's parent undertaking is Racing Welfare, Charity number 1084042, Company registration number 04116279, whose address is the same as Racing Homes and whose charitable objectives are the relief of poverty, sickness, injury and the advancement of education to those employed or formally employed in the racing industry.

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.

During the year The Jockey Club provided professional services to the charity, valued at £27k (2021: £31k), free of charge. This has been recognised as a donation in kind and a management cost in the statement of financial activities .

17. CONTINGENT LIABILITIES

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2022

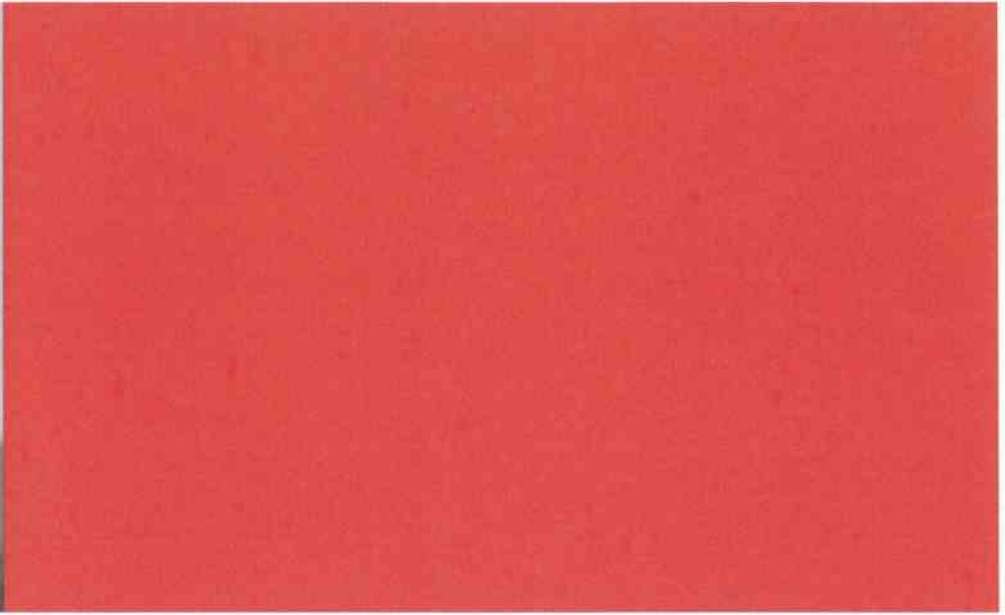
18. STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR YEAR ENDED 31ST DECEMBER 2021

	Note	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total funds 2021 £'000
INCOME FROM:				
Donations and legacies		30.8	240.2	271.0
Charitable activities	2	839.7	-	839.7
Investments		0.1	-	0.1
TOTAL INCOME		870.6	240.2	1,110.8
EXPENDITURE ON:				
Charitable activities	4	696.1	200.7	896.8
TOTAL EXPENDITURE		696.1	200.7	896.8
NET INCOME/(EXPENDITURE) FOR THE YEAR		174.5	39.5	214.0
Transfers between funds		285.5	(285.5)	-
NET MOVEMENT IN FUNDS		460.0	(246.0)	214.0
Balances brought forward 1 January		4,219.1	7,944.3	12,163.4
Balances carried forward 31 December		4,679.1	7,698.3	12,377.4

Racing Homes

England & Wales - Charity number 1122961

Accounts

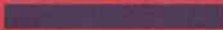


RACING HOMES

(formerly Stable Lads Welfare Trust
Housing Association Limited)

Report and Financial Statements

31 December 2021



Registered charity number: 1122961

Company registration number: 06489067

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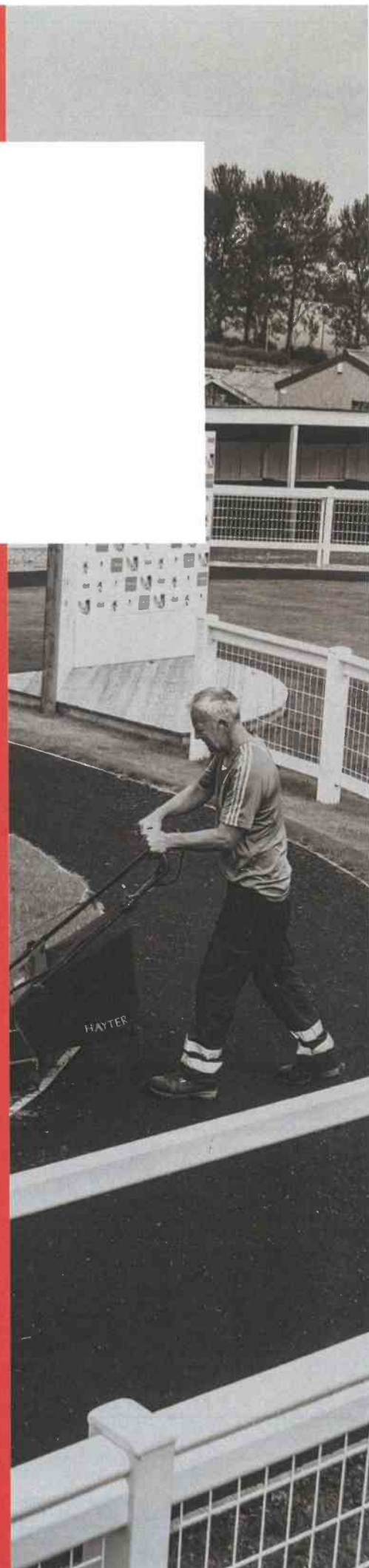
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LEGAL AND ADMINISTRATIVE DETAILS

TRUSTEES AND DIRECTORS

Simon Hope (Chair)
William Barlow
Craig Glasper
Patrick Russell

CHIEF EXECUTIVE

Dawn Goodfellow

REGISTERED OFFICE

Robin McAlpine House
20B Park Lane
Newmarket
Suffolk
CB8 8QD

SOLICITORS

Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 0DP

AUDITORS

RSM UK Audit LLP
Blenhiem House
Newmarket Road
Bury St Edmunds
IP33 3SB

BANKERS

Barclays Bank Plc
58 High Street
Newmarket
Suffolk
CB8 8NM

CHAIR'S STATEMENT

Our Chair, Simon Hope, reflects on 2021

2021 has been good year for the charity in terms of its day-to-day operations with staff returning to the office setting and the struggles faced by our tenants being met efficiently by our teams at both Racing Homes and Racing Welfare. Challenges have however been felt with the rising cost of building materials and contractor resource shortages. These have impacted our refurbishment works and led to longer than desired void periods at some of our properties, as well as above expected costs. That said, Racing Homes has produced a surplus for the year, prominently due to the LHA grant received from Racing Welfare, which is restricted for financing the continued programme of repairs and maintenance works on the portfolio.

The biggest frustration has been with the delays to our planning application at Lambourn. The impact of COVID on the planning system, and the numerous consultees involved in the project, have required us to obtain a further extension to our purchase agreement for the site through to December 2022. The trustees have continued to assess the financial viability of the project, and the risks associated. The board remain optimistic of achieving planning and creating a scheme which delivers on the charitable objectives of both Racing Homes and Racing Welfare in an area where there is a significant housing need. We were delighted to receive a pledge from The John Pearce Foundation towards this project and look forward to working with them on shaping this project post-purchase.

The board are also pleased to consider an alternative option for development in Middleham. This could provide greater flexibility and opportunities to consider our environmental impact when delivering a housing scheme in this area. We are grateful to the property team at The Jockey Club for their support in this area.

On behalf of the board, I would like to thank the team at Racing Homes and those at Racing Welfare who contribute to the ongoing success of the charity, enabling it to effectively deliver its charitable objectives.



Simon Hope
Chair



TRUSTEES' REPORT

Objectives and Activities

The Trustees present their annual report and the audited financial statements of the charity for the year ended 31 December 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

OBJECTIVES AND ACTIVITIES

WHO WE ARE

Racing Homes is the wholly-owned subsidiary of Racing Welfare and the two charities work very closely together, both operationally and via their aligned charitable objectives. Racing Homes shares senior management resource and some of its trustees with Racing Welfare and operationally has its own fantastic team of employees.



WHAT WE DO

The principal activity of the charity is the provision of affordable housing. Racing Homes' objects, as described formally in its governing document, are to provide affordable housing and associated amenities to those people that need it. In particular, the charity has a focus on providing specially designed or adapted living facilities for those retired beneficiaries who require them due to disability.

Racing Homes manage a housing stock of 165 units of accommodation. Six of these units are owned by Epsom Racing Staff Welfare and 13 by Racing Homes' subsidiary charity, The Rous Charity. In addition, Racing Homes has 23 nomination rights in retirement properties across Newmarket and Lambourn.

The whole portfolio is broken down into schemes. Each scheme houses either retired beneficiaries, young people or working staff. In more recent years the Trustees, in reviewing which group of the racing community had the greatest need for access to affordable housing, decided to transition away from housing working staff and focus on young and retired. Today, the majority of the portfolio provides housing for these two beneficiary groups:

TRUSTEES' REPORT

Objectives and Activities continued

Young People – 23 % of the portfolio

This decision was made due to the difficulty faced by young people who work in horseracing in accessing affordable, safe accommodation. Horseracing employs a relatively high proportion of young people. For many, this can mean the first time they are living away from home. This is coupled with the challenge that under 18s cannot legally hold an interest in property, in the form of a tenancy, and so often end up with unsuitable or unsafe living arrangements.

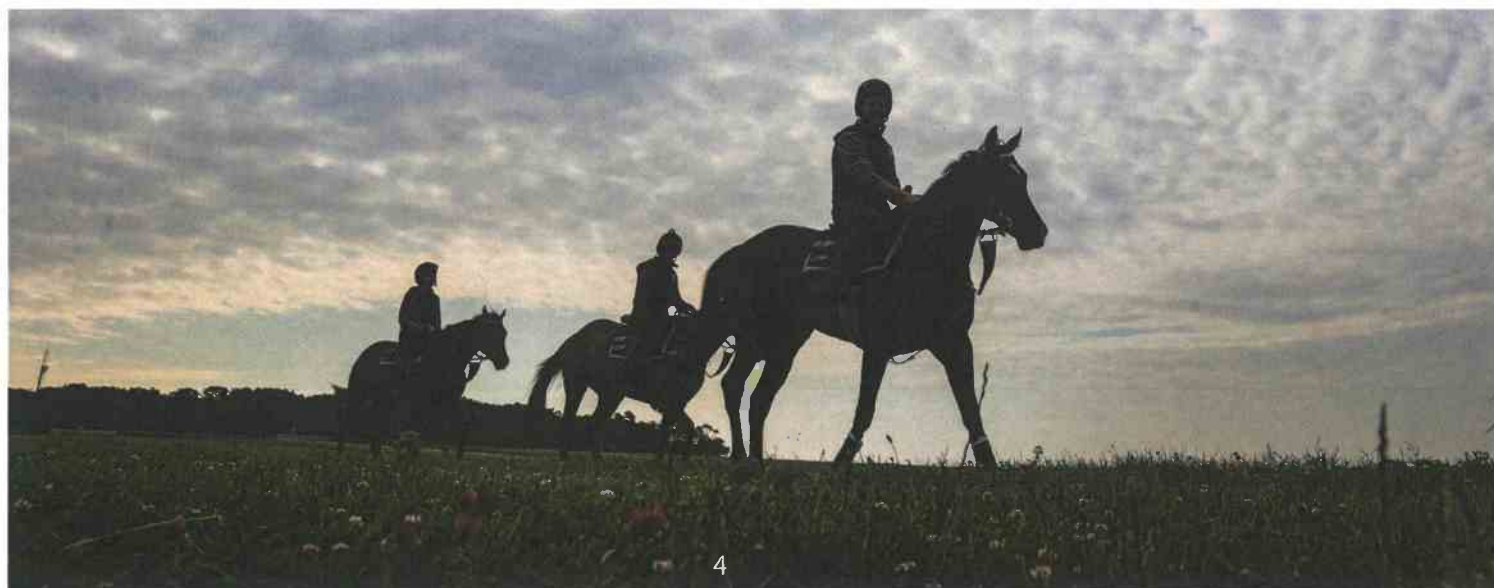
Research has shown that a relatively high attrition rate from the industry, by people in this group, can often be attributed to the experiences encountered outside of their employment. Providing schemes of accommodation where young people can be supported in their transition to independent living, has been shown to improve retention and well-being. The team acknowledge the increased risks housing young people poses, in particular around safeguarding, but with robust policies and procedures in place, these risks have been mitigated to acceptable levels.

Retired – 70% of the portfolio

The competition for social housing is fierce, particularly in many of those areas densely populated by horseracing businesses. Racing Homes commissioned a housing needs survey in 2015 which established that, due to the location of the racing centres, there is a lack of availability of suitable housing and in all cases, house prices are very high.

Working Staff – 7% of the portfolio

This percentage has decreased over the last five years and now only two schemes still remain dedicated to working staff. This allows the charity to keep a small number of units available, should we have particularly vulnerable beneficiaries or those with special requirements.



TRUSTEES' REPORT

Objectives and Activities continued

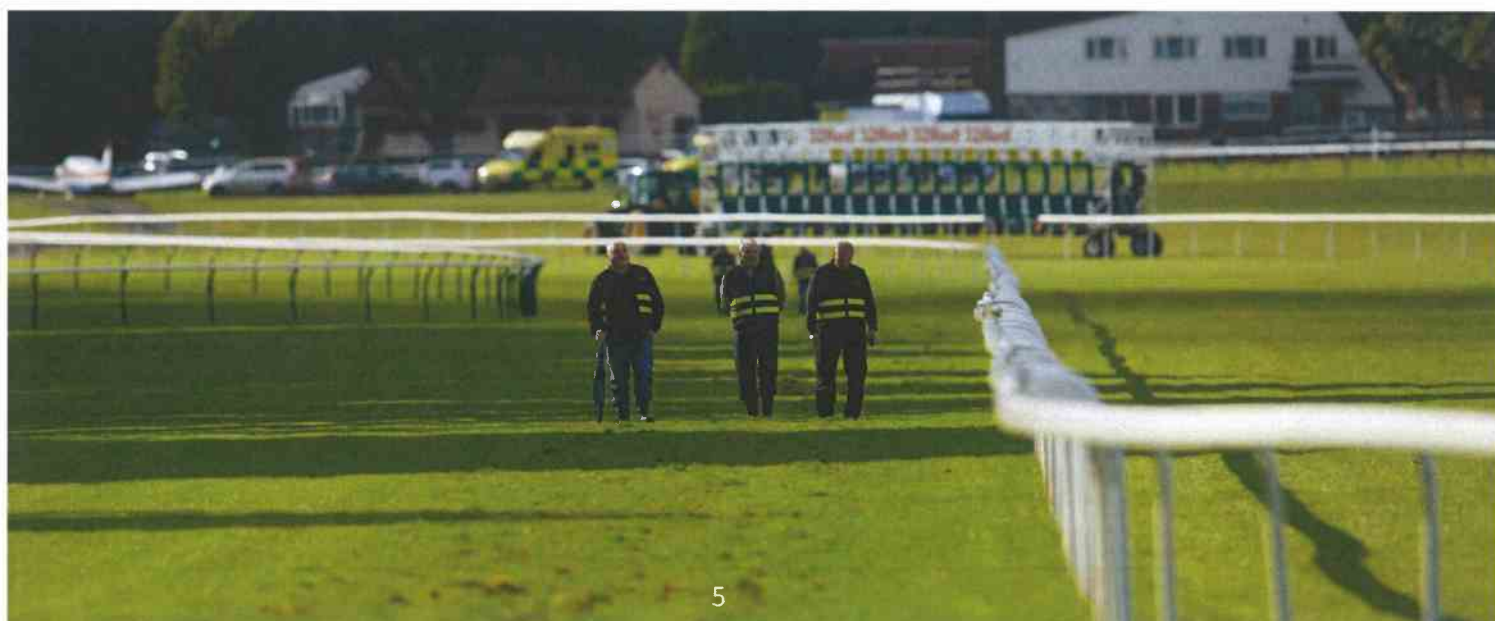
WHAT WE DO (continued)

The Racing Welfare group work very closely with Epsom Racing Staff Welfare, a charity with similar objects, based solely in the racing hub of Epsom. The charity owns two three bedroom houses which are managed by the Racing Homes team. In addition, the finance and administration function is provided by Racing Welfare. In 2022 Epsom Racing Staff Welfare is expected to formally merge with Racing Homes.

A number of our properties have disabled living adaptations and the Racing Homes team work closely with welfare officers from Racing Welfare to ensure that tenants' needs are monitored and any special adaptations or equipment is installed.

Affordability is a key part of the charity's objects and the trustees have bench-marked and consulted with both the housing team and the welfare team at Racing Welfare, in order to set rent levels. A significant proportion of tenants receive statutory benefits which subsidise or fulfil rental values up to Local Housing Allowances. For young people, Local Housing Allowance rates have been evaluated by the welfare team as affordable for those on standard age-related wage rates in the industry. As such the trustees agreed to transition to Local Housing Allowance rent rates from 2019. There will be a gradual increase for existing tenants and immediate increase on new tenancies, which are subject to affordability testing prior to sign up.

In 2019 the completion of the newest scheme, Summerhill House, set a new benchmark for the quality of housing Racing Homes aspires to provide across its entire portfolio. The Trustees are looking at an ambitious 10-year plan, expanding the property portfolio in those areas with the greatest need. Quality, affordable housing for all of racing's workforce, which is estimated at 20,000 people, is not something that can realistically be achieved by a portfolio and charity of this size. However, in 2022 and beyond the trustees will consider how it can be the driving force behind a significant step change in the racing industry that will ensure that all racing's workforce have access to quality, safe and affordable housing. This can only be achieved by working closely with the regulatory body for racing and other key stakeholders in the industry.



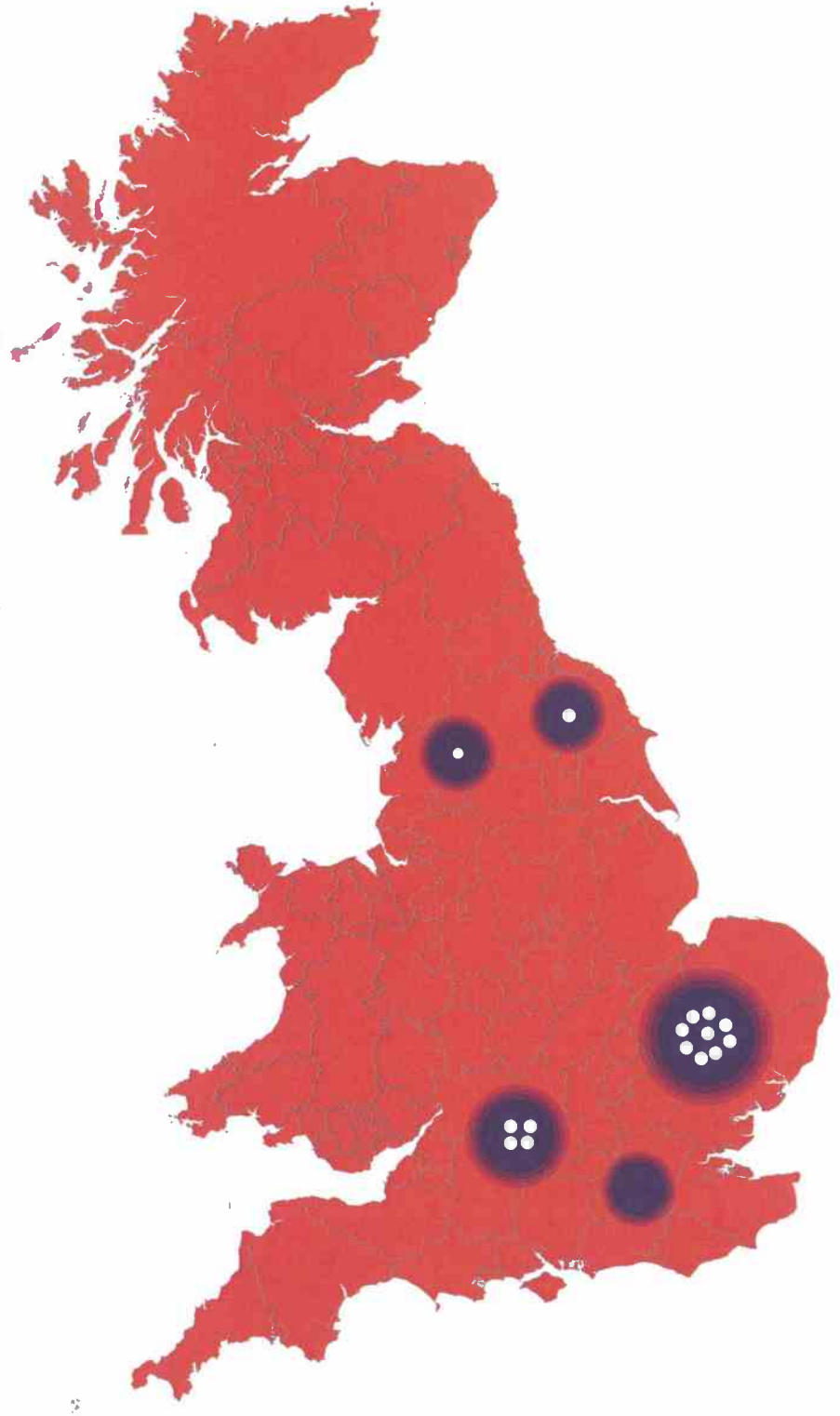
TRUSTEES' REPORT

Objectives and Activities continued

WHERE WE DO IT

Whilst there is a concentration of racing industry staff in the main horseracing training centres shown on the map, racing businesses and their employees can be found in all counties throughout Great Britain. The collaboration with Racing Welfare, who geographically cover the entire country, enables Racing Homes to support and advise the workforce on general housing issues, regardless of whether they are a current tenant. The new strategy developed in 2020 will further widen this reach, through direct support or by influencing macro level change in employee housing.

The Trustees referred to the guidance contained on 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, they have considered how planned activities will contribute to the aims and objectives of the charity 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.



TRUSTEES' REPORT

Achievements and Performance

ACHIEVEMENTS AND PERFORMANCE

WHAT WE HAVE ACHIEVED

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

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

Hill House

Hill House in Middleham is a grade two listed property set in the centre of the town. Racing Welfare purchased the property in 2018 in order to develop it to create a multi-purpose offering for the town. The project planned to feature young people's accommodation, a community space, an IT suite, a gym and physio treatment room plus office space for Racing Welfare's staff who are based in the town. During 2021 an opportunity arose to explore the potential for developing a piece of land in the centre of Middleham. The trustees have secured this land with an option to purchase if planning consent can be achieved. This site, if successful, would provide more flexibility in terms of build specification than Hill House and it would allow the charity to consider the environmental impact of the build in a way that is not possible with the development of a listed property. For this reason the development of Hill House is on hold whilst planning permission is applied for on the new site.

TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE HAVE ACHIEVED (continued)

Lambourn

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



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE HAVE ACHIEVED (continued)

Case Study - David and Keith

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

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

In 2021 we issued a customer survey to gather feedback on what our tenants thought of our service, the quality of their homes and where they live. We were very pleased to learn that 84% of our tenants are satisfied with the service provided by Racing Homes and the quality of their homes. 91% of tenants are satisfied with where they live and 98% feel safe in their homes. The survey, however, did identify areas where we can improve with respondents indicating they are not always satisfied with the cleaning, ground maintenance and repair service. Our tenants also gave feedback on several areas where they are unclear on our policy and procedures or the services we provide. Whilst the pandemic has delayed how we intended to action and respond to the feedback received, an action plan has been developed to increase satisfaction and ensure our tenants are informed of how we performed.

TRUSTEES' REPORT

Achievements and Performance continued

HOW WE ACHIEVED IT

Racing Homes shares senior management team resource with Racing Welfare and Jockey Club Estates. The Chief Executive Officer (CEO) and Chief Operating Officer (COO) of Racing Welfare oversee Racing Homes but the day to day running of the charity is delegated to the Head of Housing. For our capital projects work we are supported by the Group Property Team at the Jockey Club.

Racing Homes finance function is provided by the Racing Welfare finance team headed up by the COO of Racing Welfare. Racing Homes has its own accounts assistant who reports into Racing Welfare's Head of Finance. Welfare support and advice is provided by Racing Welfare's welfare team headed up by the Director of Welfare and fundraising for capital projects in Racing Homes is provided by Racing Welfare's fundraising team, headed up by the Head of Fundraising.

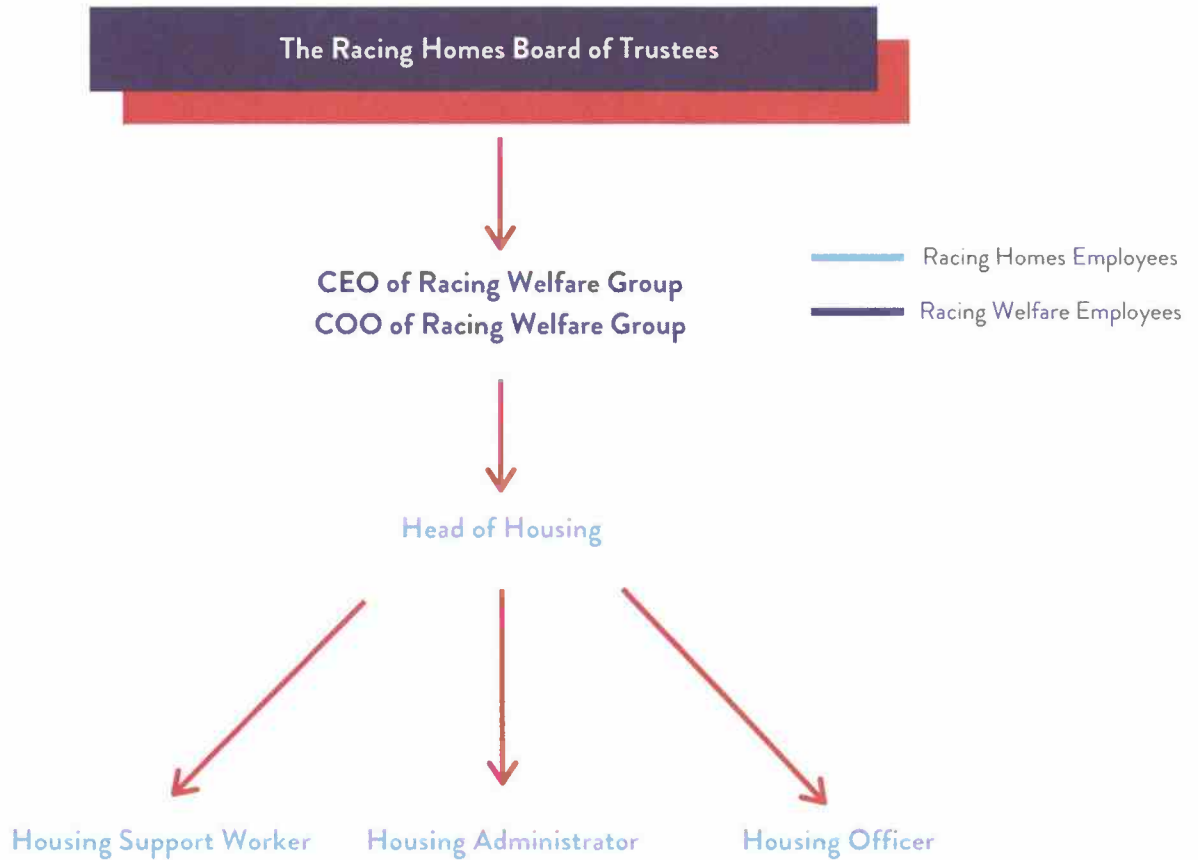
In addition to the close association with Racing Welfare's welfare team, Racing Homes employs a Housing Support Officer. The role was introduced in 2019 to provide support and guidance to the young people housed by Racing Homes across the portfolio, with an emphasis on providing holistic support to enable them to thrive in both their home and work lives. This has improved rent arrears and bad debts but also there are early signs of improved retention and wellbeing of staff in the horseracing industry. This post was funded in 2021 by a grant from Racing Welfare, made possible by the generous support of the EBM Charitable Trust.



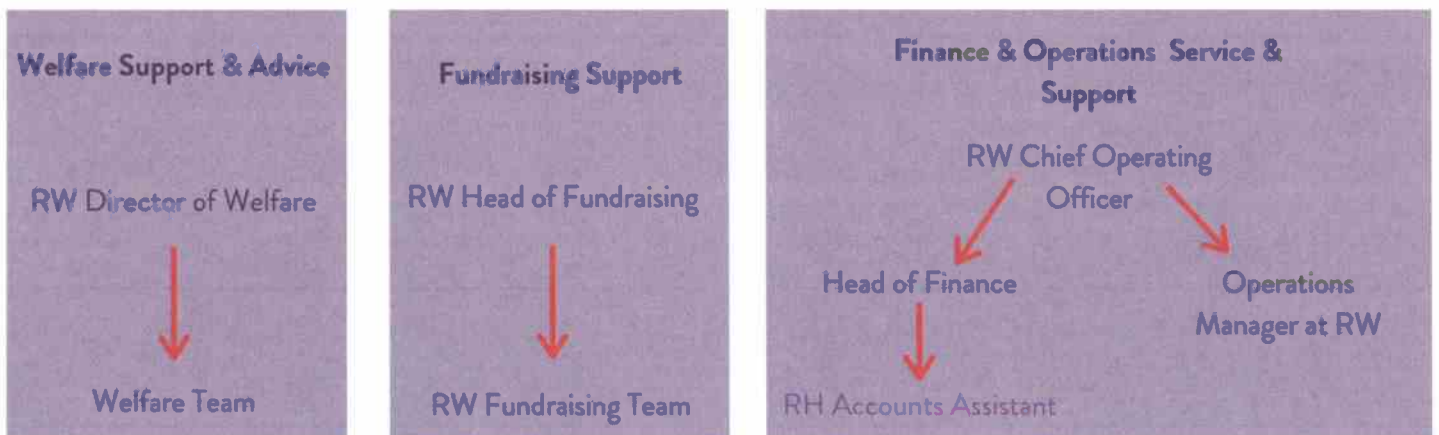
TRUSTEES' REPORT

Achievements and Performance continued

HOW WE ACHIEVED IT (continued)



Support Services Provided by Racing Welfare



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE PLAN TO DO NEXT

2022 will see a number of changes being introduced in order to improve some of our internal processes and streamline our compliance monitoring and record keeping. In addition to fully utilising the new housing software, a new internal role has been created. The new Property and Contracts Manager role will be responsible for all buildings management and will result in the asset management function being taken in-house.

Whilst customer satisfaction from the 2021 survey was extremely positive, the survey also indicated our tenants would like more opportunities to engage with us. In order that we can engage purposefully, we will roll out an annual program of residents meetings on our housing schemes and provide an opportunity to join our Housing Officer on an estate inspection. We will make sure that it is easier to access information and contact us by improving our website and introducing a text service.

A newsletter is planned twice a year and the Spring edition will give tenants feedback on the survey and respond to some of the comments and suggestions made by tenants. A new short survey on our repair service will be introduced to ensure that the service delivered is good quality and reliable. We have improved how we carry out and inspect the condition of our communal areas, including the cleaning and ground maintenance. This will ensure we monitor the quality of service. We have introduced regular contractor meetings which allows us to address any issues in a timely and effective manner.

It is important to us that our properties are safe and kept in good repair, one of the benefits of this is to enable us to meet the challenge of reducing carbon emissions and identify where energy efficiency can be improved. In 2022 and 2023 we intend to survey and review the condition of our homes and estates to identify where major investment programs are required. We will establish a plan to fund these and communicate our investment strategy to our tenants. We have continued our electrical program of work which is due to complete in April 2022 and the Fire Risk Reviews of our communal areas will shortly commence, both of which ensure our homes and buildings are safe.



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE PLAN TO DO NEXT (continued)

The team will continue to work on both homelessness and decarbonisation, two areas which have lacked progression in 2020 and 2021 due to the impact on our internal resources due to COVID. The internal working group tasked with considering homelessness has been supplemented with some new members who have specific experience in this area.

The government decarbonisation strategy aims for the UK economy to become net carbon zero by 2050. This will have a significant impact on the housing sector. We have started to undertake work to help us form our own strategy and will continue to work on this in 2022. Our initial steps have been to capture the essential energy information so we can identify the biggest impact changes that can be prioritised.

Gaining planning permission in Lambourn and Middleham will remain a priority for the housing development team who continue to carefully assess the risks associated with development and revisiting budgets and costings. Financing our projects is still an area of focus for the team, along with planning how we can begin to work towards our vision: that everyone from the horseracing and breeding industry has access to high quality, affordable, safe housing. This is alongside our mission: to sustainably grow a high quality, affordable housing portfolio that demonstrates best practice in housing management and delivers services that improve beneficiaries' lives.



TRUSTEES' REPORT

Financial Review

OUR FINANCIAL PERFORMANCE

Our Income

The total income for the year was £1,100.0k (2020: £1,632.6k), the reduction due to a decrease in donations and legacies.

Income from housing activities increased by 8% in 2021, the effect of the charity's policy of adopting Local Housing Allowance-based rents for new tenants in refurbished properties along with the impact of the first full year following completion of the refurbishment of MacDonald Buchanan House in June 2020, alone responsible for a 4% increase in total housing income.

Income from donations and legacies decreased (2021: £260.2k; 2020: £852.9k), as a result of a one-off £500k granted from Racing Welfare towards the development in Middleham in 2020.

Our Expenditure

Expenditure in the year decreased slightly from £911.2k in 2020 to £885.8k. The charity saw management costs decrease due to a one-off cost of £58.5k in 2020 of a strategy review and future funding options. Depreciation was £22.2k higher this year as a result of the property refurbishment works being undertaken, and governance costs also increased as the charity sought to merge with its small subsidiary charity, the Rous Charity.

Net income for the year was £214.2k, down from £721.4k in 2020.

Balance Sheet

Cash is managed at a group level and has resulted in a balance of £195.3k due from Racing Welfare at the year-end (2020 £39.4k due to Racing Welfare). Despite this Cash at bank and in hand increased from £642.4k to £732.1k. This has seen a change in the net current asset position of the Charity to £724.4k at the end of 2021 from £433.7k a year earlier. Net assets as at 31 December 2021 were £12.4m (2020: £12.2m).

Managing our Reserves

Racing Homes holds reserves for the purpose of owning, maintaining and developing the housing portfolio. As at 31 December 2021 the charity held total reserves of £12.4m (2020 - £12.2m). Unrestricted funds amounted to £4.7m (2020 - £4.2m) and restricted funds were stated at £7.7m (2020 - £7.9m). Within the unrestricted funds are £4.5m (2020 - £4.2m) of designated funds which represent the net book value of fixed assets and associated liabilities that are not classified as restricted. The designated fund will be expended in line with the amortisation of the properties represented by the fund.

TRUSTEES' REPORT

Financial Review continued

OUR FINANCIAL PERFORMANCE (continued)

Managing our Reserves (continued)

Restricted funds represent properties which have been transferred to Racing Homes with a restriction imposed relating to the requirement to house individuals working in or retired from the horseracing and breeding industry along with funds received towards future developments.

The charity has a reserves policy, in line with its parent, to keep six months of property management costs in free reserves. This is estimated at £250.0k. Free reserves, represented by the revenue reserve, are £218.7k as at 31 December 2021 (2020 – £25.7k in deficit). Over the past three years the charity has partly funded capital projects from its own reserves where sufficient funds could not be raised despite the generous donations received from a number of trusts. This left the general reserve in deficit but after a steady 2021 it has now recovered. A new staffing structure adopted in 2022 has increased overheads and therefore our estimate of 6 months forward expenditure has also increased from £190.0k to £250.0k. However, the Trustees fully expect the general fund will be in line with reserve policy before the end of 2022.

Going Concern

The trustees have considered whether there are any material uncertainties about the charity's ability to continue as a going concern. At the balance sheet date, the reported shortfall on the revenue reserve is the legacy of the use of charity reserves to fund capital projects over the past three years as well as increased staffing costs from 2022. As noted above, the general reserve is expected to be in line with policy within the next twelve months.

Recent increases in utilities prices has put pressure on many housing associations. Expenditure on gas and electricity consumed by our schemes constitutes 3.6% of our total expenditure and the majority is recharged to tenants. We have pre-existing contracts in place for most of our schemes which is mitigating short-term exposure to these price rises.

The balance sheet impact is assessed as minimal, as the majority of the funds are represented by land and building of which there are no plans to liquidate. The majority of housing income is received from retired beneficiaries (74%) and a significant number of these people will be in receipt of state pension and/or benefits. 17% of the total rent roll is paid directly to the charity from government provided benefit payments. Tenants facing hardship are able to access support through Racing Welfare. The Charity's forecasts cover a period of 12 months from the approval of this report and no issues were identified that would give rise to a going concern risk.

TRUSTEES' REPORT

Financial Review continued

Principal Risks and Uncertainties

Racing Homes 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. Racing Homes is included under Racing Welfare in terms of risk management and a formal risk management process to assess business risks and implement risk management strategies is in place. This involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process, the trustees keep under constant review the adequacy of the charity's internal control systems.

The 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.

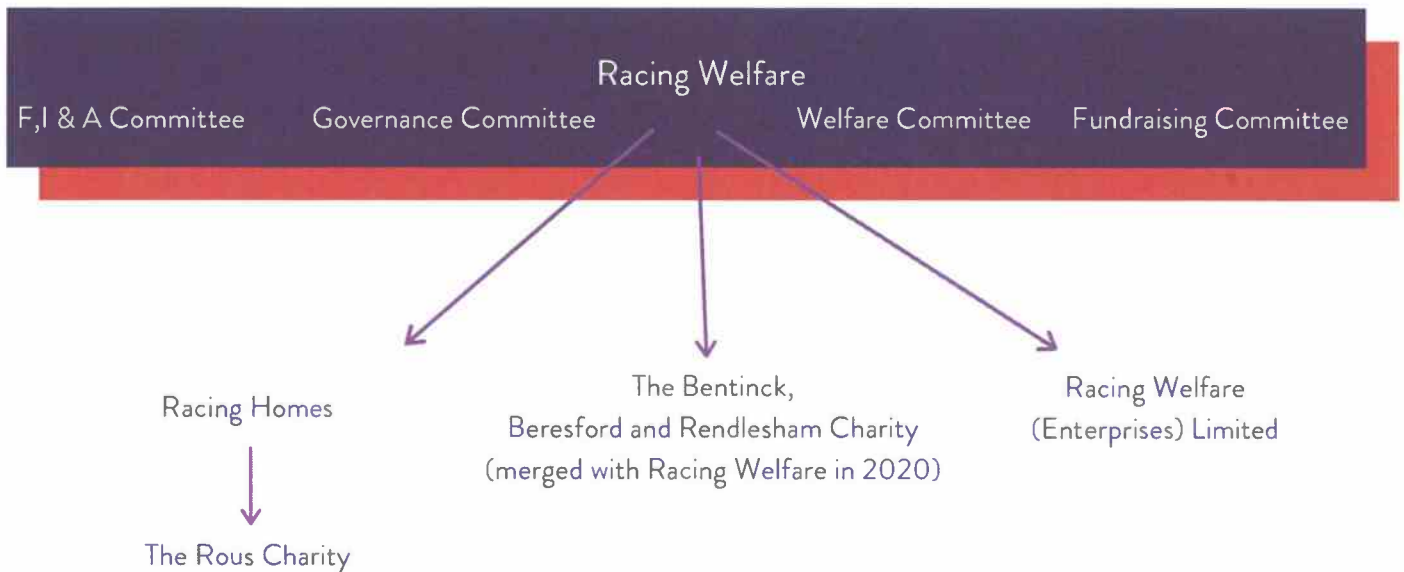
Set out in the table below are the principal risks that are specific to Racing Homes and actions taken to mitigate the risks. The trustees acknowledge that there are further, more generic risks, which are included on the charities risk register and may score highly but these risks are not listed here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

Risk Description	Risk Mitigation
<p>Failure to protect vulnerable adults and young people:</p>	<p>All staff are appropriately vetted in accordance with law and current regulations. The charity adopts Racing Welfare's safeguarding policy which is regularly reviewed by dedicated safeguarding staff 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 HR staff undergo Safer Recruitment training.</p>
<p>Non-compliance with electrical, gas and fire safety requirements:</p>	<p>Fire risk assessments are conducted at all schemes along with weekly alarm tests, along with staff regularly checking communal areas for good housekeeping. Annual PAT testing is conducted along with five year fixed-wire testing. Contracts are in place for electrical and gas safety. The central housing management software triggers compliance reminders.</p>
<p>Stock deterioration</p>	<p>Racing Homes has committed to providing housing of a high standard and is in the process of refurbishing older units, as well as recently completing a full refurbishment of a block of young persons accommodation. A stock condition survey will be undertaken in 2022 from which an updated long-term maintenance programme will be produced by a dedicated in-house property manager.</p>
<p>Tenant, staff injury sustained from deterioration of housing stock as well as the reputation risk associated with sub-standard housing.</p>	

TRUSTEES' REPORT

Governance and Structure

Our Governance, Structure and Management Group Structure



Racing Welfare is the sole member of Racing Homes. Racing Welfare is a company limited by guarantee (company registration number 04116279) and a registered charity (charity registration number 1084042). Racing Homes is the sole trustee of The Rous Charity (charity registration number 1068581).

The entire group benefits from the senior management team who sit within Racing Welfare. The other group charities benefit from the advice and guidance of all of Racing Welfare's sub committees. For details on the terms of reference for each committee please refer to Racing Welfare's consolidated financial statements.

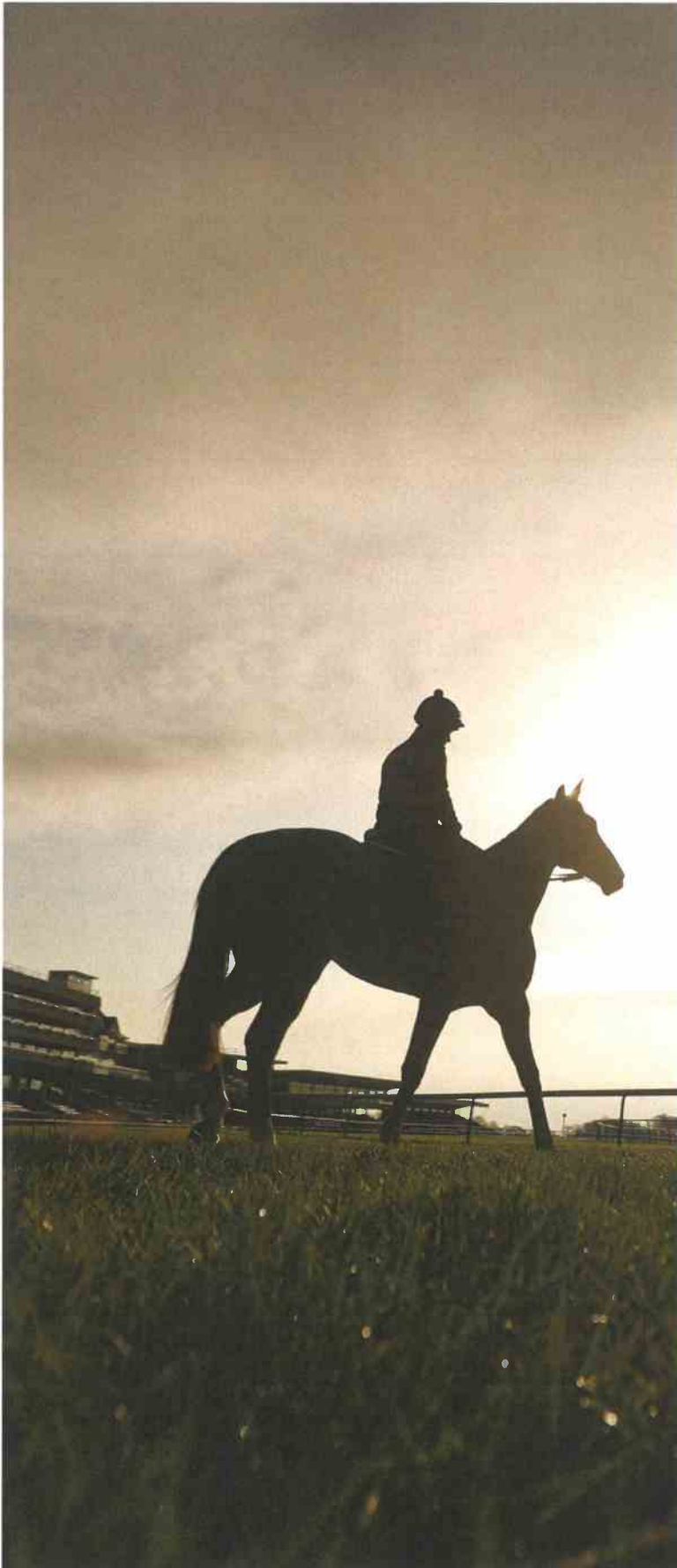
Governance

Racing Homes is constituted as a company limited by guarantee, with governance arrangements set out in the charity's Memorandum and Articles of Association.

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 the priorities in 2020 of improving diversity and inclusion as well as reviewing board effectiveness.

TRUSTEES' REPORT

Objectives and Activities continued



Governance (continued)

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

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

TRUSTEES' REPORT

Governance and Structure continued

Trustees

The maximum number of trustees permitted is 15, and a minimum of 3. One third of the Trustees automatically retire each year (those being longest since appointment or reappointment) and may be re-elected. In line with the Charity Governance Code the charity imposes a maximum term of 9 years except where the permanent retirement would have a clear detrimental impact on the Charity. All trustees are also directors. With the exception of one trustee, the remaining trustees are also trustees of Racing Welfare.

The board is charged to use its best endeavours to ensure the composition of the board at any time represents an appropriate balance of skills including knowledge and experience of housing matters as well as activities within the horseracing industry. The newly implemented trustee recruitment process requires any trustee to join firstly as a committee member and serve at least 12 months prior to being considered by the board for trusteeship. New committee members are recruited according to any gaps identified by the trustee skills audit and a recruitment process is followed involving extensive advertising via internal and external channels. Each position's recruitment strategy is developed according to the specialism required and is signed off by the Chief Operating Officer who sits on the Governance Committee. The process has been designed to improve diversity on the board. All new committee members and trustees are provided with an induction programme so that they can fulfil their role on the Board. Trustees are DBS checked and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role. During the year a new committee member was recruited, Simon Stockley, who has a wealth of property experience in his roles within the UK forces.



TRUSTEES' REPORT

Governance and Structure continued

Employment Practices and Pay

Racing Homes, as part of the Racing Welfare group of charities, is developing our diversity, inclusion and equality agenda. A diversity and inclusion (D&I) champion has been appointed and 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.

All salaries for Racing Homes employees are benchmarked against salary rates across other similar organisations. The Head of Housing is part of the Housing Association benchmarking group Acuity and has created a staffing structure and remuneration rates that are competitive and fair.

All salary rates are proposed to the Finance, Investment and Audit Committee in Racing Welfare which approves any changes as part of the annual budget process. 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. There are no senior staff on the Racing Homes payroll.

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. The senior management team has an ongoing agenda of reviewing the wellbeing of the workforce, introducing new initiatives, consulting with employees and undertaking specific training to improve leadership, all with the aim of maximising employee potential and satisfaction. In 2020 the organisation took part in a staff satisfaction survey. The results reported that: 100% of Racing Homes staff felt valued for the contribution they made to the organisation; 100% believed that Racing Homes works in the best interest of racing; 100% felt the information on charity matters is open, transparent and freely shared when appropriate and 100% felt encouraged, supported to learn, and developed to be able to do their best work. This survey will be repeated in 2022.

An extensive learning and training programme is afforded to every employee with a mixture of online learning opportunities as well as traditional courses and qualifications. Each year the Racing Welfare group hosts two, two-day staff forums where all staff meet for a programme of training and strategy setting.



TRUSTEES' REPORT

Governance and Structure continued

Employment Practices and Pay (continued)

Employee Health and Safety has been enhanced with the adoption of The Jockey Club's health and safety online training programme, Human Focus. This will improve the quality of training as well as provide efficient monitoring.

Fundraising

The charity does not undertake fundraising. All fundraising is carried out by Racing Welfare and any funds collected for projects which are to be delivered by Racing Homes are transferred via a restricted grant. Full details on the fundraising policies and practices of Racing Welfare are contained in the group consolidated financial statements.

Environmental

The charity is conscious of monitoring the environmental impact that it makes. We have a green champion that sits on the Jockey Club's Green Champion Board and the Trustees have prioritised ESG (environmental, social and governance) for 2022. Racing Homes is making the first steps in creating a decarbonisation strategy for Racing Homes by working with Jockey Club Estates in an externally provided review of the business. The Trustees are committed to becoming carbon neutral by 2050.



STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that year. In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 1993, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed.

They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

RSM UK Audit LLP were appointed as auditors during the year and have expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

The trustees' report was approved on 26th May 2022 and signed on its behalf:



Simon Hope (Chairman)

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Racing Homes (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2021 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.

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'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.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report.

INDEPENDENT AUDITOR'S REPORT

Other information (continued)

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

- adequate accounting records have not been kept, 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 22, 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.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of trustees (continued)

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 responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report and remaining alert to any new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls and completeness of income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business and performing tests of detail on income recognised in the year and subsequent to the year-end.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Claire Sutherland

CLAIRE SUTHERLAND (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Blenheim House
Newmarket Road
Bury St Edmunds
Suffolk
IP33 3SB

Date: 15/06/22

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2021

	Note	Unrestricted funds 2021 £'000	Restricted funds 2021 £'000	Total funds 2021 £'000	Total funds 2020 £'000 (note 18)
INCOME FROM:					
Donations and legacies		30.8	240.2	271.0	852.9
Charitable activities - Housing income		839.7	-	839.7	779.6
Investments		0.1	-	0.1	0.1
TOTAL INCOME	2	<u>870.6</u>	<u>240.2</u>	<u>1,110.8</u>	<u>1,632.6</u>
EXPENDITURE ON:					
Charitable activities	3	696.1	200.7	896.8	911.2
TOTAL EXPENDITURE		<u>696.1</u>	<u>200.7</u>	<u>896.8</u>	<u>911.2</u>
NET INCOME FOR THE YEAR		<u>174.5</u>	<u>39.5</u>	<u>214.0</u>	<u>721.4</u>
Transfers between funds		285.5	(285.5)	-	-
NET MOVEMENTS IN FUNDS		<u>460.0</u>	<u>(246.0)</u>	<u>214.0</u>	<u>721.4</u>
Reconciliation of funds:					
Balances brought forward 1 January		4,219.1	7,944.3	12,163.4	11,442.0
Balances carried forward 31 December		<u>4,679.1</u>	<u>7,698.3</u>	<u>12,377.4</u>	<u>12,163.4</u>

STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

Company number 06489067

	Note	2021 £'000	2020 £'000
INTANGIBLE FIXED ASSETS	7	163.9	165.5
TANGIBLE FIXED ASSETS			
Housing properties	8	13,164.1	13,249.8
Other fixed assets	9	35.9	47.1
		<u>13,363.9</u>	<u>13,462.4</u>
CURRENT ASSETS			
Debtors	10	265.2	43.3
Cash at bank and in hand		732.1	642.4
		<u>997.3</u>	<u>685.7</u>
CREDITORS: amounts falling due within one year	11	(291.8)	(252.0)
NET CURRENT ASSETS		<u>705.5</u>	<u>433.7</u>
CREDITORS: amounts falling due after more than one year	12	(1,692.0)	(1,732.7)
NET ASSETS		<u>12,377.4</u>	<u>12,163.4</u>
THE FUNDS OF THE CHARITY			
Unrestricted reserves			
Revenue reserve		218.5	(25.7)
Designated reserve:			
Fixed asset fund		4,460.6	4,244.8
Total unrestricted reserves	13	<u>4,679.1</u>	<u>4,219.1</u>
Restricted reserves			
Housing for racing industry staff		7,698.3	7,944.3
Total restricted reserves	13	<u>7,698.3</u>	<u>7,944.3</u>
TOTAL FUNDS		<u>12,377.4</u>	<u>12,163.4</u>

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

The financial statements on pages 27 to 42 of Racing Homes were approved by the Board of Directors and authorised for issue on 26th May 2022 and signed on its behalf by:



Simon Hope (Chairman)

STATEMENT OF FINANCIAL CASHFLOWS

for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Cash provided by operating activities	a)	224.1	662.5
Cash flows from investing activities:			
Purchase of tangible fixed assets	8,9	(93.8)	(219.2)
Net cash used in investing activities		<u>(93.8)</u>	<u>(219.2)</u>
Net cash used in financing activities			
Repayment of loans		(40.6)	(40.7)
Net increase/(decrease) in cash and cash equivalents		<u>89.7</u>	<u>402.6</u>
Cash and cash equivalents at 1 January		642.4	239.8
Cash and cash equivalents at 31 December		<u>732.1</u>	<u>642.4</u>

a) Reconciliation of net income for the year to net cash provided by operating activities

	2021 £'000	2020 £'000
Net income/(expenditure) for the year	214.0	721.4
Depreciation and amortisation	282.0	259.6
(Increase) in debtors	(221.9)	(11.5)
(Decrease)/Increase in creditors	(50.0)	(307.0)
Net cash inflow provided by operating activities	<u>224.1</u>	<u>662.5</u>

b) Analysis of net debt

	At 1 January 2021 £'000	Cash flows £'000	Non- Cash flows £'000	At 31 December 2021 £'000
Bank	642.4	89.7	-	732.1
Loans	(1,773.3)	40.6	-	(1,732.7)
	<u>(1,130.9)</u>	<u>130.3</u>	<u>-</u>	<u>(1,000.6)</u>
Borrowings				
Debt due within 1 year	(40.6)	40.6	(40.7)	(40.7)
Debt due after 1 year	(1,732.7)	-	40.7	(1,692.0)
	<u>(1,773.3)</u>	<u>40.6</u>	<u>-</u>	<u>(1,732.7)</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

1. ACCOUNTING POLICIES

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 (FRS 102) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Basis of consolidation

The charitable company is exempt by virtue of section 398 of the Companies Act 2006 from the requirement to prepare group accounts. The financial statements present information about the company as an individual undertaking and not about its group.

Going concern

The directors have identified no material uncertainties and have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of approval of the financial statements, and the charity is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Income

Income from charitable activities represents rents and service charges receivable. All rental and service charge income is from social housing lettings. Grants and donations are recognised as income upon approval of application or receipt, whichever is sooner and only to the extent that any performance criteria has been met. Interest receivable is included in the accounts when due.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

1. ACCOUNTING POLICIES (CONT.)

Tangible fixed assets and depreciation

Housing properties are stated at deemed cost less accumulated depreciation; 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. Other fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected useful economic lives of the assets as follows:

Housing properties (including leasehold)	2% per annum or over the lease term
Housing property improvements	10%-25% per annum
Housing property fixtures and fittings	25% per annum

Freehold land is not depreciated.

The residual value (land) is calculated as a proportion of the deemed cost of the properties at the balance sheet date, calculated using the guidance issued by the National Housing Federation.

The Charity capitalises expenditure on housing which results in an increase in net rental income, which adds to the value of the property or which extends its useful economic life.

Intangible fixed assets - nomination rights

Nomination rights cover the right to nominate 6 residents to Childwick House, Newmarket and 17 residents to Fielden Court, Kingsclere. They are depreciated in equal amounts over a period of 125 years. They are stated at net book value.

Interest payable

Interest payable is charged to the SOFA in the year which it accrues.

Irrecoverable VAT

All resources expended are 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.

Fund accounting

Unrestricted funds are those which are available for use at the discretion of the Trustees in furtherance of the general objects 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 notes to the financial statements.

Restricted funds are those 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

1.ACCOUNTING POLICIES (CONT)

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. INCOME

	2021 £'000	2020 £'000
Donations and legacies		
Grants received - restricted	240.2	847.9
Donations - unrestricted	30.8	5.0
	<u>271.0</u>	<u>852.9</u>
Charitable activities		
Rent receivable net of identifiable service charges	788.8	724.4
Service charges receivable	50.9	55.2
	<u>839.7</u>	<u>779.6</u>
Investment income		
Interest receivable	0.1	0.1
	<u>0.1</u>	<u>0.1</u>
Total income	<u>1,110.8</u>	<u>1,632.6</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

3. TOTAL EXPENDITURE

	Activities undertaken 2021 £'000	Support costs 2021 £'000	Total 2021 £'000	Total 2020 £'000
Charitable activities				
Provision of social housing (note 4)	833.8	63.0	896.8	911.2
	<u>833.8</u>	<u>63.0</u>	<u>896.8</u>	<u>911.2</u>
Support costs				
Overheads and administration costs			46.0	46.0
Governance			17.0	6.8
			<u>63.0</u>	<u>52.8</u>

Audit fees included in support costs amount to £4.8k (2020: £4.4k)

Management and administration overheads of £46k (2020: £46k) allocated to the charity from Racing Welfare are apportioned on the basis of Racing Welfare staff time spent on Racing Homes matters.

4. ANALYSIS OF SOCIAL HOUSING COSTS

	Total 2021 £'000	Total 2020 £'000
Operating costs		
Management costs	282.6	328.2
Service charges	112.2	117.6
Maintenance of properties	126.7	119.9
Governance costs	17.0	6.8
Bad debts	3.7	5.5
Loan interest	72.6	74.5
Depreciation of housing properties	265.8	245.4
Depreciation of fixtures and fittings	14.6	12.6
(Profit) on disposal of fixed assets	-	(0.9)
Amortisation of nomination rights	1.6	1.6
Expenditure on social housing	<u>896.8</u>	<u>911.2</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

5. STAFF COSTS

	Total 2021 £'000	Total 2020 £'000
Wages	118.8	107.6
Employer's national insurance contributions	11.0	9.3
Pension costs	8.5	7.4
Total	138.3	124.3

The average number of staff in the year was 5 (2020: 5)

No employees earned over £60,000 in the year

Key staff, which are deemed to be The Chief Executive Officer and Chief Operating Officer of Racing Welfare are employed by Racing Welfare therefore the Charity incurred total remuneration costs of £nil in this respect during the year (2020: £nil).

6. DIRECTORS' REMUNERATION

No remuneration was paid to the Directors during the year, nor in the previous year. No travelling and subsistence expenses were paid in 2021 (2020: £nil).

7. INTANGIBLE FIXED ASSETS

	Nomination Rights £
Cost	
At 1 January 2021 and 31 December 2021	<u>197.7</u>
Amortisation	
At 1 January 2021	32.2
Charge for year	1.6
At 31 December 2021	<u>33.8</u>
Net book value	
At 31 December 2021	<u>163.9</u>
At 31 December 2020	<u>165.5</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

8. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Assets under development £'000	Freehold land and buildings £'000	Leasehold land and buildings £'000	Freehold improvements £'000	Totals £'000
Deemed cost					
At 1 January 2021	-	12,664.2	895.0	800.9	14,360.1
Additions	18.9	-	-	161.0	179.9
At 31 December 2021	<u>18.9</u>	<u>12,664.2</u>	<u>895.0</u>	<u>961.9</u>	<u>14,540.0</u>
Depreciation					
At 1 January 2021	-	966.3	65.9	78.1	1,110.3
Charge for the year	-	190.9	11.5	63.2	265.6
At 31 December 2021	<u>-</u>	<u>1,157.2</u>	<u>77.4</u>	<u>141.3</u>	<u>1,375.9</u>
Net book value					
At 31 December 2021	<u>18.9</u>	<u>11,507.0</u>	<u>817.6</u>	<u>820.6</u>	<u>13,164.1</u>
At 31 December 2020	<u>-</u>	<u>11,697.9</u>	<u>829.1</u>	<u>722.8</u>	<u>13,249.8</u>
Historic cost					
			2021	2020	
			£'000	£'000	
Gross cost			12,696.4	12,516.5	
Accumulated depreciation on historical cost			(2,609.6)	(2,392.4)	
			<u>10,086.8</u>	<u>10,124.1</u>	
Housing properties, at deemed cost, comprise:					
Freeholds			13,645.0	13,465.1	
Long leaseholds			895.0	895.0	
			<u>14,540.0</u>	<u>14,360.1</u>	

Housing properties include freehold land of £3,111.3k (2020: £3,111.3k) that is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

9. TANGIBLE FIXED ASSETS - OTHER

	IT equipment £'000	Fixtures and fittings £'000	Motor Vehicles £'000	Total £'000
Cost				
At 1 January 2021	-	132.3	-	132.3
Additions	1.6	2.3	-	3.9
At 31 December 2021	<u>1.6</u>	<u>134.6</u>	<u>-</u>	<u>136.2</u>
Depreciation				
At 1 January 2021	-	85.2	-	85.2
Charge for the year	0.2	14.9	-	15.1
At 31 December 2021	<u>0.2</u>	<u>100.1</u>	<u>-</u>	<u>100.3</u>
Net book value				
At 31 December 2021	<u>1.4</u>	<u>34.5</u>	<u>-</u>	<u>35.9</u>
At 31 December 2020	<u>0.0</u>	<u>47.1</u>	<u>-</u>	<u>47.1</u>

10. DEBTORS

	2021 £'000	2020 £'000
Rental debtors	30.3	30.2
Prepayments and accrued income	4.4	3.1
Due from the Rous Charity	26.9	2.0
Due from parent undertaking - Racing Welfare	195.3	-
Other debtors	8.3	8.0
	<u>265.2</u>	<u>43.3</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Due to parent undertaking - Racing Welfare	-	39.4
Other taxation and social security payable	0.5	2.3
Trade creditors	57.7	46.9
Accruals and deferred income	188.8	122.0
Other creditors	4.1	0.8
Housing loans	40.7	40.6
	<u>291.8</u>	<u>252.0</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

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

	2021 £'000	2020 £'000
Housing loans	<u>1,692.0</u>	<u>1,732.7</u>
	1,692.0	1,732.7
Analysis of Housing loans repayable by instalments:		
Within one year	40.7	40.6
Between one and two years	40.9	40.7
Between two and five years	123.5	123.0
After five years	<u>1,527.6</u>	<u>1,569.0</u>
	1,732.7	1,773.3

There are two housing loans:

- A loan with a total outstanding amount of £92.7k is secured on properties at Jack Jarvis Close, bears interest at a fixed rate of 15% per annum and is repayable over a period of 60 years from 1980.
- A loan was taken out in 2019, secured against Summerhill House. The loan bears interest of 3.55% and is repayable over a period of 10 years from 2018 at £40k p.a with a break clause after 5 years. The balance will be paid on the maturity date.

13. RESERVES

	At 1 January 2021 £'000	Income in the year £'000	Expenditure in the year £'000	Transfers £'000	At 31 December 2021 £'000
Unrestricted funds					
Revenue Reserve	(25.7)	870.6	(490.3)	(136.1)	218.5
Designated - Fixed Asset Fund	4,244.8	-	(205.8)	421.6	4,460.6
Total unrestricted funds	<u>4,219.1</u>	<u>870.6</u>	<u>(696.1)</u>	<u>285.5</u>	<u>4,679.1</u>
Restricted funds					
Housing for Racing Industry Staff	7,444.3	-	(148.9)	(124.5)	7,170.9
Repairs and maintenance fund	-	225.2	(36.8)	(161.0)	27.4
Middleham Development	500.0	-	-	-	500.0
Housing Support Officer	-	15.0	(15.0)	-	-
Total restricted funds	<u>7,944.3</u>	<u>240.2</u>	<u>(200.7)</u>	<u>(285.5)</u>	<u>7,698.3</u>
Total funds	<u>12,163.4</u>	<u>1,110.8</u>	<u>(896.8)</u>	<u>-</u>	<u>12,377.4</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

13. RESERVES (CONT.)

	At 1 January 2020 £'000	Income in the year £'000	Expenditure in the year £'000	Transfers £'000	At 31 December 2020 £'000
Unrestricted funds					
Revenue reserve	(308.9)	784.7	(500.4)	(1.1)	(25.7)
Designated - Fixed Asset Fund	4,261.5	-	(201.5)	184.8	4,244.8
Total unrestricted funds	<u>3,952.6</u>	<u>784.7</u>	<u>(701.9)</u>	<u>183.7</u>	<u>4,219.1</u>
Restricted funds					
Housing for Racing Industry Staff	7,465.4	296.8	(134.2)	(183.7)	7,444.3
Middleham Development	-	500.0	-	-	500.0
Racing Homes Strategy Report	-	51.1	(51.1)	-	-
Housing Support Officer	24.0	-	(24.0)	-	-
Total restricted funds	<u>7,489.4</u>	<u>847.9</u>	<u>(209.3)</u>	<u>(183.7)</u>	<u>7,944.3</u>
Total funds	<u>11,442.0</u>	<u>1,632.6</u>	<u>(911.2)</u>	<u>-</u>	<u>12,163.4</u>

The designated Fixed Asset Fund sets aside funds equivalent to the net book value of both tangible and intangible fixed assets (less; the value of fixed assets associated with the restricted reserve and any liability secured against the asset) and is intended to highlight reserves allocated for such use.

The restricted fund, Housing for Racing Industry, arises as a result of the transfer of housing assets from Racing Welfare. These assets were transferred 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 from Racing Welfare less any liability secured against the asset.

The Repairs and Maintenance fund arises from grants received from Racing Welfare to be used for major repairs and maintenance or refurbishment works of housing stock.

The restricted Middleham Development fund arises from a grant received from Racing Welfare to be used towards the costs of a new development in Middleham, a key racing centre.

The restricted Racing Homes Strategy Report fund arises from a grant received from the Racing Foundation to be used towards the costs of reviewing Racing Homes's strategic options to expand its property portfolio in key racing centres.

The restricted Housing Support Officer fund arises from a grant received to be used towards the costs of employing a Housing Support Officer.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

13. RESERVES (CONT.)

Transfers between funds: 2021

An amount of £3.9k was transferred from the Revenue Reserve to the Designated Fixed Asset Fund, being additions to designated assets that were funded from the Revenue Reserve. Also funded by the revenue reserve were loan repayments of loans secured against designated assets totalling £113.2k and development costs of £18.9k, for which transfers from general funds to designated funds has been made.

An amount of £90.5k was transferred from the Restricted Repairs and Maintenance Fund to the Designated Fixed Asset Fund being refurbishments of designated properties paid from restricted funds. An amount of £70.5k was transferred from the Restricted Repairs and Maintenance Fund to the Restricted Housing for Racing Industry Staff Fund being capitalised property refurbishments of restricted assets paid from restricted funds.

It was identified in the year that the land on which Summerhill House was built should be classed as designated not restricted. As such a transfer of £195.0k has been made from the Restricted Housing for Racing Industry Staff Fund to the Designated Fixed Asset Fund.

Transfers between funds: 2020

An amount of £69.8k was transferred from the Revenue Reserve to the designated Fixed Asset Fund, being additions to designated assets that were funded from the Revenue Reserve. Also funded by the revenue reserve were loan repayments of loans secured against designated assets totalling £115.0k, for which a transfer from general funds to designated funds has been made.

An amount of £111.5k was transferred from the Revenue Reserve to the restricted Housing for Racing Industry Staff fund, being additions to restricted assets that were funded by the revenue reserve. Upon receipt of the £295.2k in grants from Racing Welfare towards the refurbishment of MacDonald Buchanan House, this amount was transferred to the revenue reserve which funded the costs in lieu of grants being received.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total £'000
As at 31 December 2021				
Fixed assets	7,170.9	6,193.0	-	13,363.9
Current Assets	546.4	-	450.9	997.3
Current liabilities	-	(40.7)	(251.1)	(291.8)
Long-term liabilities	-	(1,692.0)	-	(1,692.0)
	<u>7,717.3</u>	<u>4,460.3</u>	<u>199.8</u>	<u>12,377.4</u>
As at 31 December 2020				
Fixed assets	7,444.3	6,018.1	-	13,462.4
Current Assets	500.0	-	185.7	685.7
Current liabilities	-	(40.6)	(211.4)	(252.0)
Long-term liabilities	-	(1,732.7)	-	(1,732.7)
	<u>7,944.3</u>	<u>4,244.8</u>	<u>(25.7)</u>	<u>12,163.4</u>

15. CONNECTED CHARITIES

The Charity has some directors and administration in common with the following charities:

- o Racing Welfare
- o The Bentinck, Beresford and Rendlesham Charity
- o The Rous Charity

These charities have the same principal office as Racing Homes.

Racing Welfare is the sole member of the Charity. Its charitable objects include the relief of poverty and distress amongst people working in, or retired from, the thoroughbred racing and breeding industry and their dependants. This is congruent with the objects of Racing Homes.

The Rous Charity is an almshouse charity, of which Racing Homes is the sole Trustee.

Balances due to/(from) Racing Homes were as follows:

	2021 £'000	2020 £'000
Amounts due from / (to) Racing Welfare	195.3	(39.4)
Amounts due from the Rous Charity	26.9	2.0

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

15. CONNECTED CHARITIES (continued)

During the year £46k (2020: £46k) in respect of management and administration overheads were allocated to the Charity by Racing Welfare. The Racing Welfare group manages its cash across entities as needed, therefore inter-charity balances are perpetually in existence. During the year the LHA subsidy of £225.2k (2020: £253.0k) was granted by Racing Welfare and paid through the inter-charity account.

During the year total grants of £240.2k (2020: £847.9k) were received from Racing Welfare.

The charity collects rents on behalf of the Rous Charity and pays for shared costs between the two charities. During the year the charity collected rents amounting to £60,913 (2020: £58,769) on behalf of the Rous Charity and received shared costs attributable to the Rous Charity of £38,447 (2020: £22,868), including staff costs of £14,380 (2020: £13,957). During the year the charity paid £47,000 (2020: £122,561) to the Rous Charity in settlement of the inter-charity loan account.

16. PARENT AND ULTIMATE CONTROLLING PARTY

The charity's parent undertaking is Racing Welfare, Charity number 1084042, Company registration number 04116279, whose address is the same as Racing Homes and whose charitable objectives are the relief of poverty, sickness, injury and the advancement of education to those employed or formally employed in the racing industry.

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.

During the year The Jockey Club provided professional services to the charity, valued at £31k (2020: £5k), free of charge. This has been recognised as a donation in kind and a management cost in the statement of financial activities.

17. CONTINGENT LIABILITIES

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

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

	Note	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total funds 2020 £'000
INCOME FROM:				
Donations and legacies		5.0	847.9	852.9
Charitable activities	2	779.6	-	779.6
Investments		0.1	-	0.1
TOTAL INCOME		<u>784.7</u>	<u>847.9</u>	<u>1,632.6</u>
EXPENDITURE ON:				
Charitable activities	4	701.9	209.3	911.2
TOTAL EXPENDITURE		<u>701.9</u>	<u>209.3</u>	<u>911.2</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR		82.8	638.6	721.4
Transfers between funds (restated)		183.7	(183.7)	-
NET MOVEMENT IN FUNDS		<u>266.5</u>	<u>454.9</u>	<u>721.4</u>
Balances brought forward 1 January (restated)		3,952.6	7,489.4	11,442.0
Balances carried forward 31 December		<u>4,219.1</u>	<u>7,944.3</u>	<u>12,163.4</u>

Racing Homes

England & Wales - Charity number 1122961

Accounts



RACING HOMES

(formerly Stable Lads Welfare Trust
Housing Association Limited)

Report and Financial Statements

31 December 2020

Registered charity number: 1122961

Company registration number: 06489067

Contents

- 1 - Officers and professional advisors
- 2 - Trustees' report
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- 33 - Notes to the financial statements





LEGAL AND ADMINISTRATIVE DETAILS

TRUSTEES AND DIRECTORS

Simon Hope (Chair)

William Barlow

Craig Gasper

Gary Middlebrook (resigned 9 June 2020)

Patrick Russell

CHIEF EXECUTIVE

Dawn Goodfellow

REGISTERED OFFICE

Robin McAlpine House

20B Park Lane

Newmarket

Suffolk

CB8 8QD

SOLICITORS

Taylor Vinters

Merlin Place

Milton Road

Cambridge

CB4 0DP

AUDITORS

RSM UK Audit LLP

Abbotsgate House

Hollow Road

Bury St Edmunds

IP32 7FA

BANKERS

Barclays Bank Plc

58 High Street

Newmarket

Suffolk

CB8 8NM

CHAIR'S STATEMENT

Our Chair, Simon Hope, reflects on 2020

2020 has been an extremely challenging year globally and the effects of the pandemic have impacted horseracing substantially. The team at Racing Homes, and within the wider Racing Welfare group, worked swiftly to adapt working practices, implement new policies and procedures and safe working practices to ensure that the services provided across the group were uninterrupted.

Despite the difficulties facing construction during the pandemic, the team managed to complete the refurbishment of MacDonald Buchanan House, our young people's accommodation in Newmarket. This scheme now provides 18 high quality bedsits, for those aged 16-24, supported by a dedicated housing support officer. It has been a huge success with tenants, their families and employers praising the scheme. The role of the support officer has been equally as successful with young people reporting the positive impact that she has made, in addition to the benefits it has brought to Racing Homes. These include a marked reduction in rent arrears and a reduction in issues requiring welfare intervention.

My fellow trustees and I spent time in the year working through the risk appetite, resource capabilities and financial opportunities available to grow the portfolio, with a strong focus on sustainability. The result is a clear growth strategy that enables the team to focus their efforts on the areas that will yield the most success. We continue with our commitment to a project in Middleham and move closer towards a project in Lambourn. 2021 will see more significant steps in these projects with the support of The Jockey Club's property team.

The housing team have matured and the promotion of Robyn Leamy to Head of Housing will allow the new policies and procedures to be embedded into the organisation. With her extensive experience in housing, she will bring a more customer focused approach to developing our services in line with our tenant needs. We retain the vital skills and knowledge in asset management via our close relationship with Jockey Club Estates. This winning combination has seen us ride out a difficult 2020 and will see us thrive in 2021.



Simon Hope
Chair



TRUSTEES' REPORT

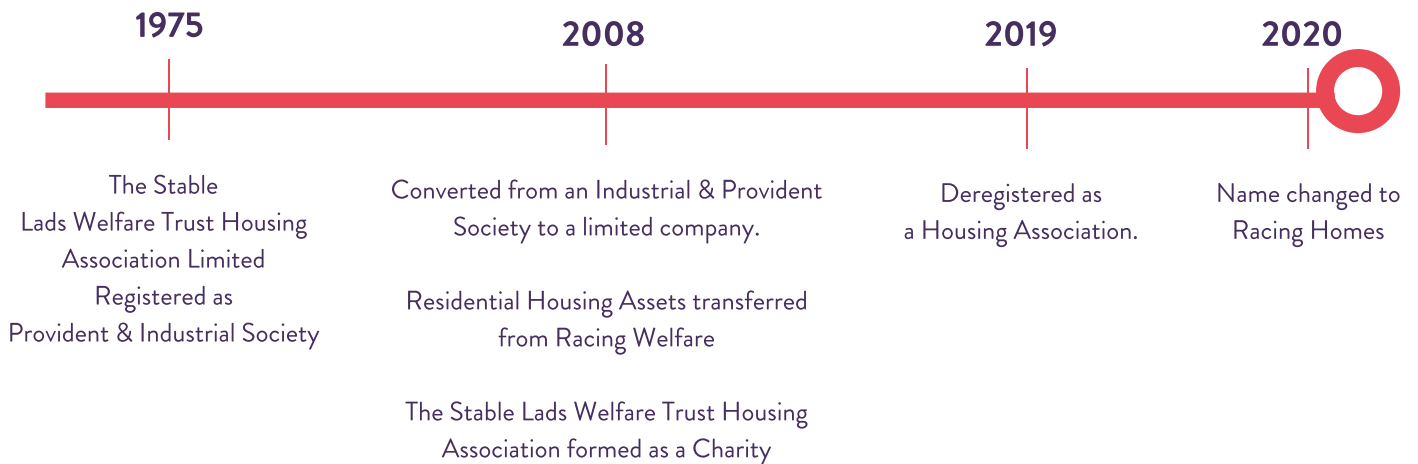
Objectives and Activities

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

OBJECTIVES AND ACTIVITIES

WHO WE ARE

On 15 September 2020 the Trustees passed a special resolution to change the name of the charity from The Stable Lads Welfare Trust Housing Association Limited to Racing Homes. The charity is the wholly owned subsidiary of Racing Welfare and the two charities work very closely together, both operationally and via their aligned charitable objectives. Racing Homes shares senior management resource with Racing Welfare but is governed by a separate board of trustees, and operationally has its own fantastic team of employees.



WHAT WE DO

The principal activity of the charity is the provision of affordable housing. Racing Homes' objects, as described formally in its governing document, are to provide affordable housing and associated amenities to those people that need it. In particular, the charity has a focus on providing specially designed or adapted living facilities for those retired beneficiaries who require them due to disability.

Racing Homes manage a housing stock of 165 units of accommodation. Six of these units are owned by Epsom Racing Staff Welfare and 13 by Racing Homes' wholly owned subsidiary, The Rous Charity. In addition, Racing Homes has 23 nomination rights in retirement properties

TRUSTEES' REPORT

Objectives and Activities continued

WHAT WE DO (continued)

The whole portfolio is broken down into schemes. Each scheme houses either retired beneficiaries, young people or working staff. In more recent years the Trustees, in reviewing which group of the racing community had the greatest need for access to affordable housing, decided to transition away from housing working staff and focus on young and retired. Today, the majority of the portfolio provides housing for these two beneficiary groups:

Young People – 23 % of the portfolio

This decision was made due to the difficulty faced by young people who work in horseracing in accessing affordable, safe accommodation. Horseracing employs a relatively high proportion of young people. For many, this can mean the first time they are living away from home. This is coupled with the challenge that under 18s cannot legally hold an interest in property, in the form of a tenancy, and so often end up with unsuitable or unsafe living arrangements.

Research has shown that a relatively high attrition rate from the industry, by people in this group, can often be attributed to the experiences encountered outside of their employment. Providing schemes of accommodation where young people can be supported in their transition to independent living, has been shown to improve retention and well-being. The team acknowledge the increased risks housing young people poses, in particular around safeguarding, but with robust policies and procedures in place, these risks have been mitigated to acceptable levels.

Retired – 70% of the portfolio

The competition for social housing is fierce, particularly in many of those areas densely populated by horseracing businesses. Racing Homes commissioned a housing needs survey in 2015 which established that, due to the location of the racing centres, there is a lack of availability of suitable housing and in all cases, house prices are very high.

Working Staff – 7% of the portfolio

This percentage has decreased over the last five years and now only two schemes still remain dedicated to working staff. This allows the charity to keep a small number of units available, should we have particularly vulnerable beneficiaries or those with special requirements.



TRUSTEES' REPORT

Objectives and Activities continued

WHAT WE DO (continued)

Racing Welfare work very closely with Epsom Racing Staff Welfare, a charity with similar objects, based solely in the racing hub of Epsom. The charity owns two three bedroom houses which are managed by the Racing Homes team. In addition, the finance and administration function is provided by Racing Welfare.

A number of our properties have disabled living adaptations and the Racing Homes team work closely with the welfare officers from Racing Welfare to ensure that tenants' needs are monitored and any special adaptations or equipment is installed.

Affordability is a key part of the charity's objects and the trustees have bench-marked and consulted with both the housing team and the welfare team at Racing Welfare, in order to set rent levels. A significant proportion of tenants receive statutory benefits which subsidise or fulfil rental values up to Local Housing Allowances. For young people, Local Housing Allowance rates have been evaluated by the welfare team as affordable for those on standard age-related wage rates in the industry. As such the trustees agreed to transition to Local Housing Allowance rent rates from 2019. There will be a gradual increase for existing tenants and immediate increase on new tenancies, which are subject to affordability testing prior to sign up.

In 2019 the completion of the newest scheme, Summerhill House, set a new benchmark for the quality of housing Racing Homes aspires to provide across its entire portfolio. The Trustees are looking at an ambitious 10-year plan, expanding the property portfolio in those areas with the greatest need. Quality, affordable housing for all of racing's workforce, which is estimated at 20,000 people, is not something that can realistically be achieved by a portfolio and charity of this size. However, in 2021 the trustees will consider how it can be the driving force behind a significant step change in the racing industry that will ensure that all racing's workforce have access to quality, safe and affordable housing. This can only be achieved by working closely with the regulatory body for racing and other key stakeholders in the industry.



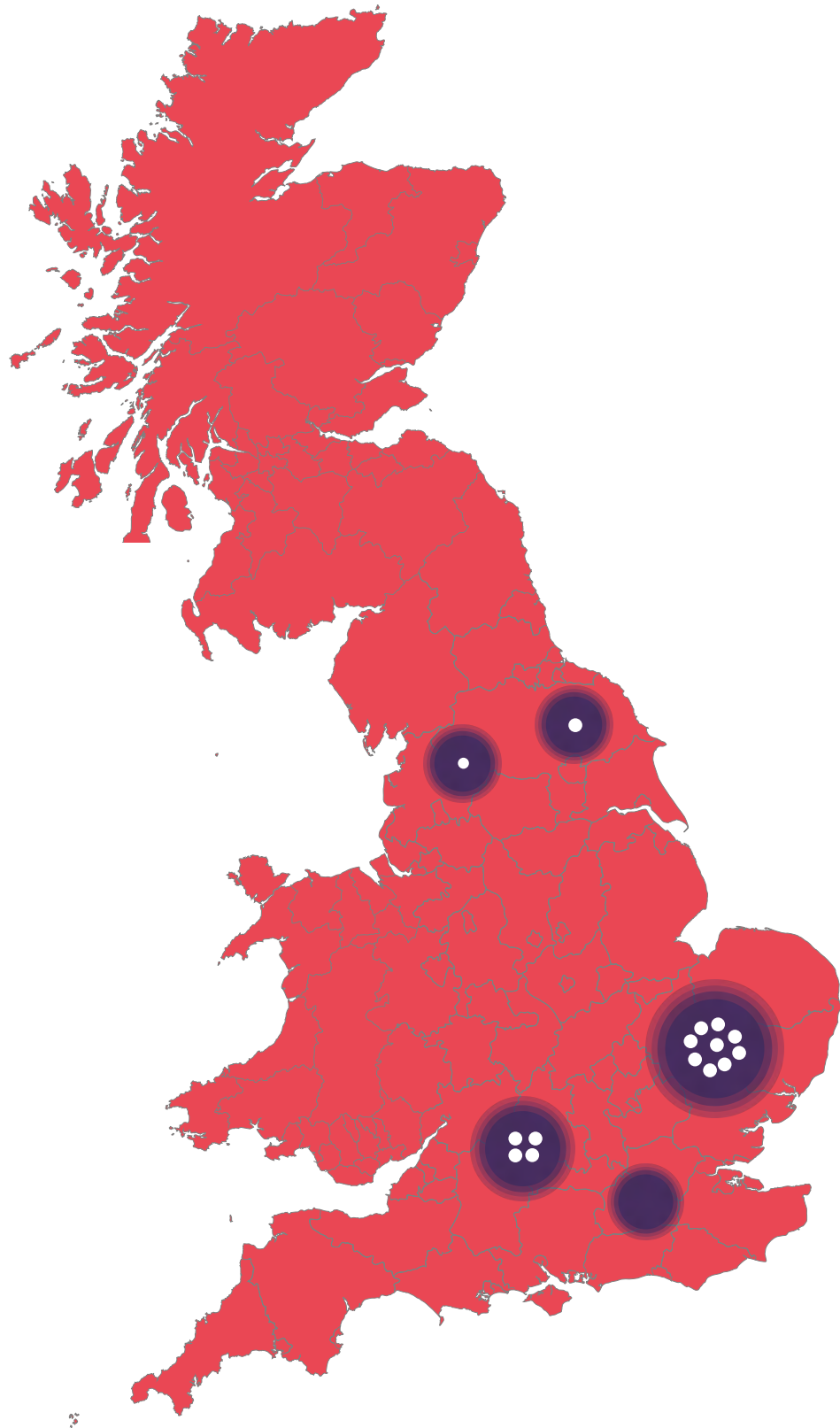
TRUSTEES' REPORT

Objectives and Activities continued

WHERE WE DO IT

Whilst there is a concentration of racing industry staff in the main horseracing training centres shown on the map, racing businesses and their employees can be found in all counties throughout Great Britain. The collaboration with Racing Welfare, who geographically cover the entire country, enables Racing Homes to support and advise the workforce on general housing issues, regardless of whether they are a current tenant. The new strategy being developed in 2020 will further widen this reach, through direct support or by influencing macro level change in employee housing.

The Trustees referred to the guidance contained on 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, they have considered how planned activities will contribute to the aims and objectives of the charity 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.



TRUSTEES' REPORT

Achievements and Performance

ACHIEVEMENTS AND PERFORMANCE

WHAT WE HAVE ACHIEVED

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

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



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE HAVE ACHIEVED (continued)

MacDonald Buchanan House

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

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

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



MacDonald Buchanan House, Newmarket

TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE HAVE ACHIEVED (continued)

Case Study - 2020

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

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

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

The television was permanently on in the care home lounge and Levi began

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

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

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

TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE HAVE ACHIEVED (continued)

Case Study - 2020

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

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

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



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE HAVE ACHIEVED (continued)

Hill House

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

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

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

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

TRUSTEES' REPORT

Achievements and Performance continued

HOW WE ACHIEVED IT

Racing Homes shares senior management team resource with Racing Welfare and Jockey Club Estates. The CEO and COO of Racing Welfare oversee Racing Homes but the day to day running of the charity is delegated to the Head of Housing, Robyn Leamy. We continue to work closely with Jockey Club Estates who provide Racing Homes with an asset management service in order to maintain the portfolio. This service provides a cost-effective solution for both parties and builds operational efficiencies across both portfolios. In addition, our capital projects are supported by the Group Property Team at the Jockey Club.

Racing Homes finance function is provided by the Racing Welfare finance team headed up by the Chief Operating Officer of Racing Welfare. Racing Homes has its own accounts assistant who reports into Racing Welfare's Head of Finance. Welfare support and advice is provided by Racing Welfare's welfare team headed up by the Director of Welfare and fundraising for capital projects in Racing Homes is provided by Racing Welfare's fundraising team, headed up by the Head of Fundraising.

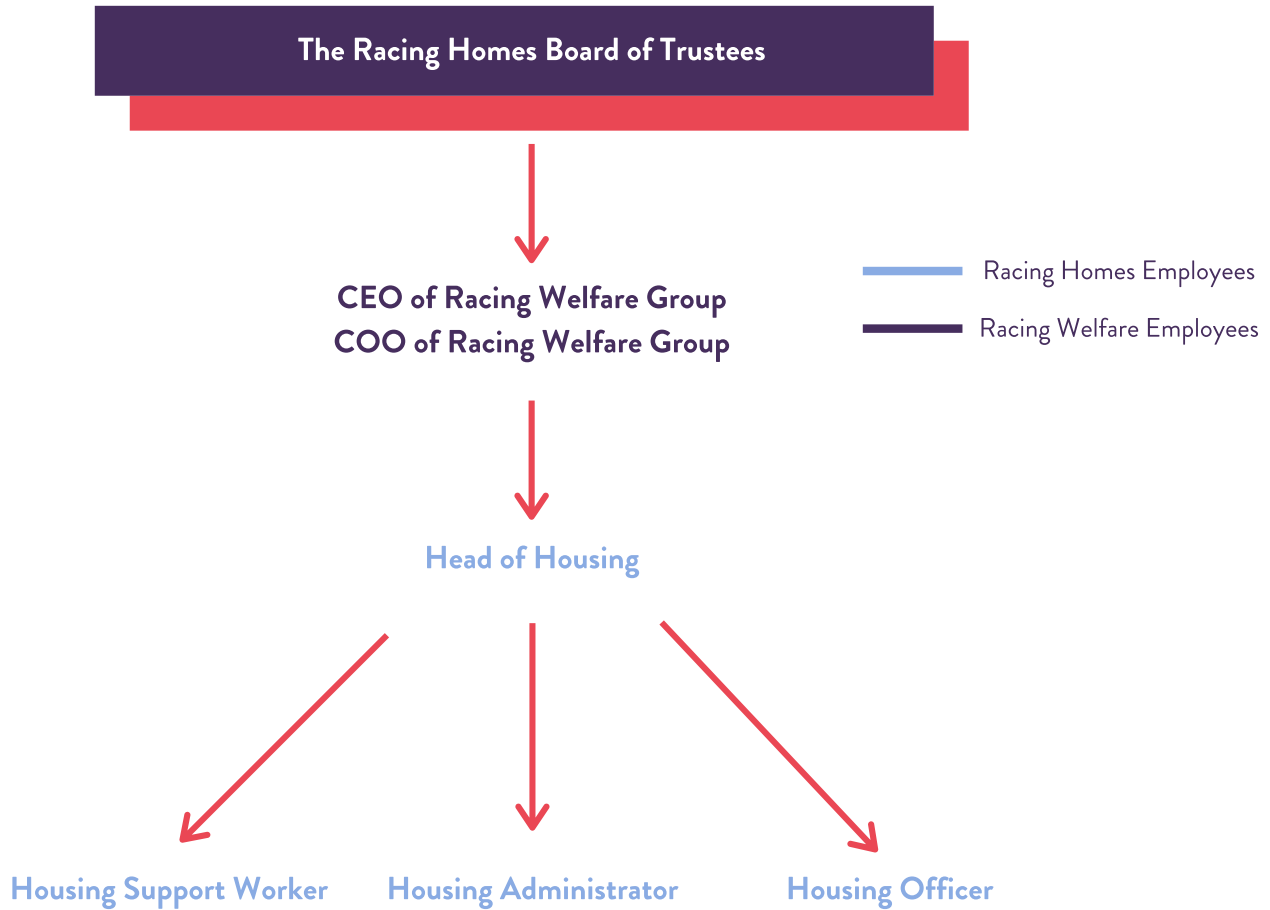
In addition to the close association with Racing Welfare's welfare team, Racing Homes employs a Housing Support Officer. The role was introduced in 2019 to provide support and guidance to the young people housed by Racing Homes across the portfolio, with an emphasis on providing holistic support to enable them to thrive in both their home and work lives. This has improved rent arrears and bad debts but also there are early signs of improved retention and wellbeing of staff in the horseracing industry. This post was funded in 2020 by a grant from Racing Welfare, made possible by the generous support of Godolphin. We are delighted and extremely grateful to EBM Charitable Trust who understand the value this role brings to the industry and have pledged to fund the position throughout 2021.



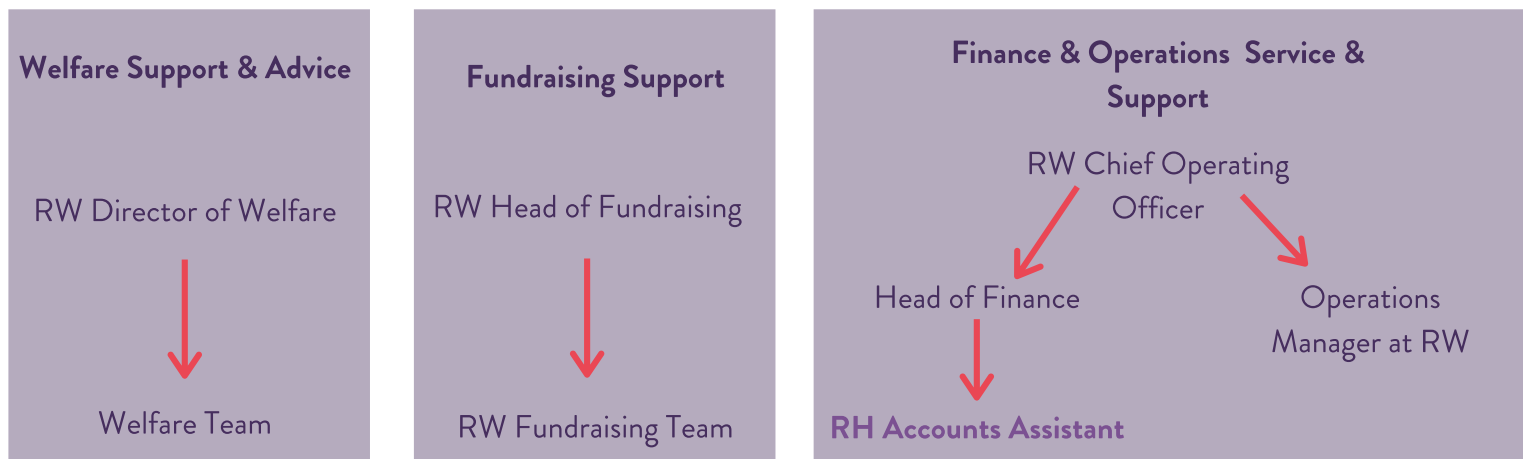
TRUSTEES' REPORT

Achievements and Performance continued

HOW WE ACHIEVED IT (continued)



Support Services Provided by Racing Welfare



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE PLAN TO DO NEXT

The new Head of Housing has a number of initiatives to bring to fruition in 2021. A new housing panel will be formed of current tenants who will become champions. These champions will represent the views of tenants and will act as a sounding board for any new initiatives or policy changes that Racing Homes propose to implement. The tenant panel will be given the opportunity to attend a board meeting once a year to speak with the trustees on any matters they wish to raise and they will be encouraged to liaise closely with the housing team, providing feedback and suggestions for improvements on service, standards and communications. A new tenant newsletter will be launched to keep tenants up to date on community events and Racing Homes' performance statistics. A tenant satisfaction survey will be undertaken, the findings from which will shape our future services. The community events will be restarted with the aim of creating a strong bond between local residents within, and across, our neighbouring schemes. We know that bringing together people with a shared love of racing, from different age ranges and experiences, can bring significant benefits. We are further developing our support for 16 – 18 years olds with the introduction of tailored support plans and weekly check-in meetings co-ordinated and delivered by our dedicated Housing Support Officer, this will also be rolled out to young people in our accommodation across the country, having been trialled in Newmarket in 2020.

Two other areas the team will begin to research in 2021 are homelessness and decarbonisation. Homelessness is on the increase, not just within the horseracing industry but throughout the UK. Racing Welfare and Racing Homes have created an internal Homelessness Group in 2021, with the task of researching the issue and considering the work that can be done within the industry to help combat it.

The government decarbonisation strategy aims for the UK economy to become net carbon zero by 2050. This will have a significant impact on the housing sector. 2021 will see Racing Homes take the initial steps in forming its own strategy with a scoping exercise carried out by a specialist consultancy firm. The charity will take the initial steps needed to enable the capture of essential energy information and will identify the biggest impact changes that can be prioritised.



TRUSTEES' REPORT

Achievements and Performance continued

WHAT WE PLAN TO DO NEXT (continued)

The capital projects will be re-started in 2021 with the housing development team carefully assessing the risks associated with development and revisiting budgets and costings. Financing our projects is still an area of focus for the team, along with planning how we can begin to work towards our vision: that everyone from the horseracing and breeding industry has access to high quality, affordable, safe housing. This is alongside our mission: to sustainably grow a high quality, affordable housing portfolio that demonstrates best practice in housing management and delivers services that improve beneficiaries' lives.

The senior management team have been undertaking research into housing for racing's staff across other racing jurisdictions including France, Australia, Ireland and Hong Kong. The result is an aspiration to have a hub in every racing centre which provides holistic support for racing's workforce, including housing, welfare, medical and sporting facilities in one place.

The charity will embark on the redevelopment of Hill House in Middleham, continue to pursue a potential opportunity in Lambourn and work on a collaboration with Jockey Club Estates in Newmarket.



TRUSTEES' REPORT

Financial Review

OUR FINANCIAL PERFORMANCE

Our Income

Racing Homes reported an increase in income in 2020. The total income for the year was £1,632.6k (2019: £894.8k).

Following the completion of Summerhill House in November 2019, the full impact on housing income was felt in 2020, with income from this scheme responsible for a 21% increase. MacDonald Buchanan House was fully occupied from June 2020, following a nine-month programme of refurbishment, which was responsible for a further 4% increase in housing income.

Income from donations and legacies increased (£852.9k; 2019: £309.2k), and includes grants totalling £296.8k received from Racing Welfare towards the refurbishment of MacDonald Buchanan House and £500k towards the development in Middleham.

Our Expenditure

Expenditure in the year increased from £776.7k in 2019 to £911.2k. £65.7k of this increase is attributable to depreciation following the completion of Summerhill House and refurbishment works on MacDonald Buchanan House, and a further £58.5k of governance costs in relation to future funding options and the proposed consolidation with the Rous Charity. A saving of £70.0k was made in relation to donated services provided by The Jockey Club, this was due to vastly reduced activity on capital projects in the year. The remainder of the increase is due to one off events.

Racing Homes benefits from group purchasing opportunities from The Jockey Club. This affords us the benefit of economies of scale, despite being of modest size. At the end of 2019, an issue arose with the energy broker and a period of high energy costs contributed to the increase in costs until March 2020. The issue has been resolved and energy costs are back to competitive rates.

Balance Sheet

The £500k grant from Racing Welfare towards the Middleham development has contributed to the increase in cash at bank and in hand. This, allied with paying down a large proportion of the inter-charity loan with Racing Welfare during the year, has seen a change in the net current asset position of the Charity to £433.7k at the end of 2020 from a net current liability position of £344.4k at the end of 2019. Net assets as at 31 December 2020 were £12.2m (2019: £11.4m).

TRUSTEES' REPORT

Financial Review continued

OUR FINANCIAL PERFORMANCE (continued)

Managing our Reserves

Racing Homes holds reserves for the purpose of owning, maintaining and developing the housing portfolio. As at 31 December 2020 the charity held total reserves of £12.2m (2019 - £11.4m). Unrestricted funds amounted to £4.2m (2019 - £4.0m) and restricted funds were stated at £7.9m (2019 - £7.5m). Within the unrestricted funds are £4.2m (2019 - £4.3m) of designated funds which represent the net book value of fixed assets and associated liabilities that are not classified as restricted. The designated fund will be expended in line with the amortisation of the properties represented by the fund. Restricted funds represent properties which have been transferred to Racing Homes with a restriction imposed relating to the requirement to house individuals working in or retired from the horseracing and breeding industry.

The charity has a reserves policy, in line with its parent, to keep six months of property management costs in free reserves. This is estimated at £190.0k. Free reserves, represented by the revenue reserve, are £25.7k in deficit as at 31 December 2020 (2019 - £308.9k deficit). The deficit was caused by funding of two capital projects. The strategy for funding the refurbishment works at MacDonald Buchanan House was for Racing Welfare to raise the money through a fundraising campaign. This campaign was carried out and, very generously, a number of trusts supported the project but there was a shortfall of £224.9k. In addition, Summerhill House was funded partly by reserves and partly by a loan, and with an unexpected loss reported in 2018 the general reserve became depleted beyond the level expected by the trustees when the funding strategy for Summerhill House was set. The reduction of the deficit during 2020 is in line with Trustee expectations and the general fund is anticipated to return to a surplus position during 2021.

Post year end the board applied for a grant from Racing Welfare to subsidise the shortfall between current rents charged in 2020 and those that would have been charged if an immediate blanket policy of Local Housing Allowance rates had been applied. The grant of £225.2k was formally agreed at the Racing Welfare board meeting in March 2021 and reserves are now back in line with policy.

Going Concern

The trustees have considered whether there are any material uncertainties about the charity's ability to continue as a going concern. At the balance sheet date, the reported deficit on the revenue reserve was a result of the use of charity reserves to fund capital projects. As noted above, a grant from Racing Welfare was approved in March 2021 bringing reserves bank in line with policy.

On 11 March 2020, the World Health Organisation declared a global pandemic, Covid-19. The disease had a significant impact on the global economy with markets heavily affected and predictions of the biggest global recession in centuries. Operationally, the Charity was able to act swiftly to protect employees. All staff within the Racing Welfare group were quickly working effectively from their own homes. The Trustees have reviewed the financial risks presented by this uncertainty and the threat to the population.

TRUSTEES' REPORT

Financial Review continued

Going Concern (continued)

In particular, they have paid note to the groups within the population who represent the largest proportion of Racing Homes' tenants, young people and those of retirement age and older. The Trustees have also considered the impact on the horseracing and breeding industry as a whole.

The balance sheet impact is assessed as minimal, as the majority of the funds are represented by land and building of which there are no plans to liquidate. The majority of housing income is received from retired beneficiaries (70%) and a significant number of these people will be in receipt of state pension and/or benefits. 27% of the total rent roll is paid directly to the charity from government provided benefit payments. Tenants facing hardship are able to access support through Racing Welfare and the specifically designated industry Covid-19 hardship fund. The Charity's forecasts cover a period of 12 months from the approval of this report and no issues were identified that would give rise to a going concern risk.



Principal Risks and Uncertainties

Racing Homes 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. Racing Homes is included under Racing Welfare in terms of risk management and 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. In 2020 a more detailed risk register was developed which feeds into the Racing Welfare register.

TRUSTEES' REPORT

Financial Review continued

Principal Risks and Uncertainties (continued)

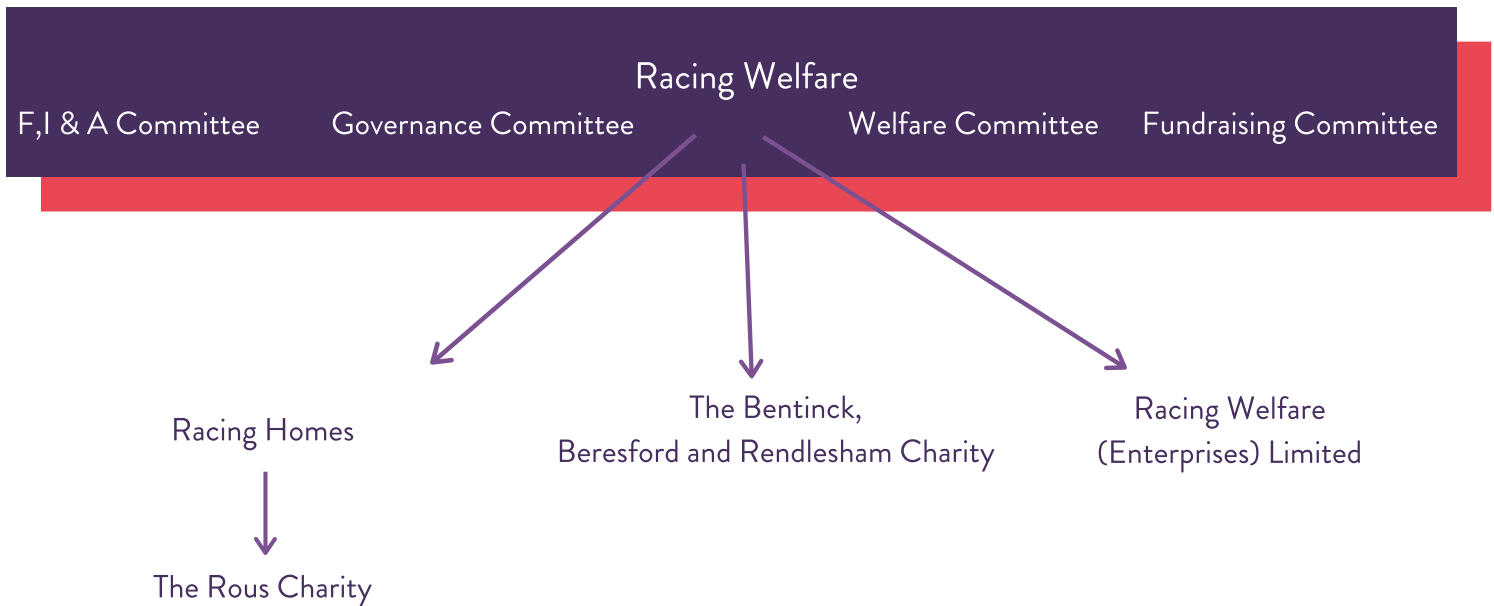
The principal risks identified by the trustees together with the actions taken to mitigate the risks are set out below:

Risk Description	Risk Mitigation
<p>Failure to protect vulnerable adults and young people:</p>	<p>All staff are appropriately vetted in accordance with law and current regulations. The charity adopts Racing Welfare's safeguarding policy which is regularly reviewed by dedicated safeguarding staff. Safeguarding training is undertaken by all staff. DBS checks are carried out on all trustees</p>
<p>Failure to comply with GDPR:</p> <p>Failure to comply may result in a data breach causing reputational damage and financial losses to the Charity.</p>	<p>The charity has ensured all policies and procedures are updated regularly to comply with GDPR. IT security is maintained by The Jockey Club's skilled IT professionals with all sensitive data stored and transmitted securely. All staff undertake comprehensive training on an annual basis with new staff undertaking this as part of their induction.</p>
<p>Breach of Health and Safety Regulations:</p> <p>A breach of H&S regulation may result in injury to tenants, beneficiaries or staff or damage to property resulting in financial losses and reputational damage.</p>	<p>The charity sits within the Jockey Club's Health and Safety Management System. Jockey Club Estates are contracted to deliver our Asset Management service and the JCE team hold H&S qualifications. All Racing Homes internal 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. Regular fire alarm testing is carried out at all properties and all equipment PAT tested. In addition, the new housing management system is now used across the portfolio has been designed to assist with effective compliance monitoring.</p>
<p>Business interruption risk:</p> <p>Business interruption due to something outside of the control of the charity e.g. Covid-19 could result in loss of operation and service, with potential effects being loss of income, breach of health and safety.</p>	<p>The charity has a business interruption plan which covers all issues relating to loss of office space, loss or damage to essential operational equipment and data. The charity is provided with IT support by The Jockey Club IT department. All staff are provided with laptops and VPN access to enable remote working and from 2020 remote working processes have been introduced to enable virtual meetings and e-sign authorisations.</p>
<p>Covid-19:</p> <p>The financial impact of COVID-19 may increase arrears and bad debts, as well as causing practical difficulties in carrying out essential maintenance.</p>	<p>The housing team regularly review arrears and intervene as soon as it becomes apparent that a tenant has fallen behind with payments. The housing team work closely with Racing Welfare's welfare officers who can offer financial assistance and budgeting advice to tenants. Maintenance is undertaken primarily by Jockey Club Estates which has undertaken full Covid risk assessments and adopt covid-safe working procedures.</p>

TRUSTEES' REPORT

Governance and Structure

Our Governance, Structure and Management Group Structure



Racing Welfare is the sole member of Racing Homes. Racing Welfare is a company limited by guarantee (company registration number 04116279) and a registered charity (charity registration number 1084042). Racing Homes is the sole trustee of The Rous Charity (charity registration number 1068581).

The entire group benefits from the senior management team who sit within Racing Welfare. The other group charities benefit from the advice and guidance of all of Racing Welfare's sub committees. For details on the terms of reference for each committee please refer to Racing Welfare's consolidated financial statements.

Governance

Racing Homes (formerly Stable Lads Welfare Trust Housing Association) is constituted as a company limited by guarantee, with governance arrangements set out in the charity's Memorandum and Articles of Association.

The Trustees have fully adopted the Charity Governance Code. One of the outcomes of the adoption of the code was the creation of the Governance Committee in 2019, and 2020 saw a number of improvements implemented as a result of the work generated by the new committee. The initial review of the charity's performance against the Charity Governance Code provided a score given for each of the seven principles and identified the priorities in 2020 of improving diversity and inclusion as well as reviewing board effectiveness.

TRUSTEES' REPORT

Objectives and Activities continued



Governance (continued)

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

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

TRUSTEES' REPORT

Governance and Structure continued

Trustees

The maximum number of trustees permitted is 15, and a minimum of 3. Trustees automatically retire after 3 years but may be re-elected with maximum term of 9 years. All trustees are also directors. With the exception of one trustee, the remaining trustees are also trustees of Racing Welfare. During the year Gary Middlebrook retired having served the full term of 9 years. Gary brought significant construction expertise as well as being a significant fundraiser for Racing Welfare. The trustees and executive are hugely grateful for the time, experience, energy and passion Gary brought to the organisation and he will be greatly missed.

The board is charged to use its best endeavours to ensure the composition of the board at any time represents an appropriate balance of skills including knowledge and experience of housing matters as well as activities within the horseracing industry. The newly implemented trustee recruitment process requires any trustee to join firstly as a committee member and serve at least 12 months prior to being considered by the board for trusteeship. New committee members are recruited according to any gaps identified by the trustee skills audit and a recruitment process is followed involving extensive advertising via internal and external channels. Each position's recruitment strategy is developed according to the specialism required and is signed off by the Chief Operating Officer who sits on the Governance Committee. The process has been designed to improve diversity on the board. All new committee members and trustees are provided with an induction programme so that they can fulfil their role on the Board. Trustees are DBS checked and are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.



TRUSTEES' REPORT

Governance and Structure continued

Employment Practices and Pay

Racing Homes, as part of the Racing Welfare group of charities, is developing our diversity, inclusion and equality agenda. A diversity and inclusion (D&I) champion has been appointed and 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.

All salaries for Racing Homes employees are benchmarked against salary rates across other similar organisations. The Head of Housing is part of the Housing Association benchmarking group Acuity and has created a staffing structure and remuneration rates that are competitive and fair.

All salary rates are proposed to the Finance, Investment and Audit Committee in Racing Welfare which approves any changes as part of the annual budget process. 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. There are no senior staff on the Racing Homes payroll.

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. The senior management team has an ongoing agenda of reviewing the wellbeing of the workforce, introducing new initiatives, consulting with employees and undertaking specific training to improve leadership, all with the aim of maximising employee potential and satisfaction. In 2020 the organisation took part in a staff satisfaction survey. The results reported that: 100% of Racing Homes staff felt valued for the contribution they made to the organisation; 100% believed that Racing Homes works in the best interest of racing; 100% felt the information on charity matters is open, transparent and freely shared when appropriate and 100% felt encouraged, supported to learn, and developed to be able to do their best work.

An extensive learning and training programme is afforded to every employee with a mixture of online learning opportunities as well as traditional courses and qualifications. Each year the Racing Welfare group hosts two, two-day staff forums where all staff meet for a programme of training and strategy setting.



TRUSTEES' REPORT

Governance and Structure continued

Employment Practices and Pay (continued)

Employee Health and Safety has been enhanced with the adoption of The Jockey Club's health and safety online training programme, Human Focus. This will improve the quality of training as well as provide efficient monitoring.

Fundraising

The charity does not undertake fundraising. All fundraising is carried out by Racing Welfare and any funds collected for projects which are to be delivered by Racing Homes are transferred via a restricted grant. Full details on the fundraising policies and practices of Racing Welfare are contained in the group consolidated financial statements.

Environmental

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



STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Charity and of the incoming resources and application of resources of the Charity for that year. In preparing the financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Charity and enable it to ensure that the financial statements comply with the Charities Act 1993, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed.

They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as disclosure to our auditors

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

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

Auditors

RSM UK Audit LLP were appointed as auditors during the year and have expressed their willingness to continue in office. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

The trustees' report was approved on 1st June 2021 and signed on its behalf:



Simon Hope (Chair)

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of Racing Homes (the 'charitable company') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 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.

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'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.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the Trustees' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Report.

INDEPENDENT AUDITOR'S REPORT

Other information (continued)

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

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

- adequate accounting records have not been kept, 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 25, 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.

INDEPENDENT AUDITOR'S REPORT

Responsibilities of trustees (continued)

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 responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to any significant, unusual transactions and transactions entered into outside the normal course of business, and challenging any judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

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

Date: 30 June 2021

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2020

	Note	Unrestricted funds 2020 £'000	Restricted funds 2020 £'000	Total funds 2020 £'000	Total funds 2019 £'000 (note 21)
INCOME FROM:					
Donations and legacies		5.0	847.9	852.9	309.2
Charitable activities - Housing income		779.6	-	779.6	585.1
Investments		0.1	-	0.1	0.5
TOTAL INCOME	2	<u>784.7</u>	<u>847.9</u>	<u>1,632.6</u>	<u>894.8</u>
EXPENDITURE ON:					
Charitable activities	3	701.9	209.3	911.2	776.7
TOTAL EXPENDITURE		<u>701.9</u>	<u>209.3</u>	<u>911.2</u>	<u>776.7</u>
NET INCOME FOR THE YEAR		<u>82.8</u>	<u>638.6</u>	<u>721.4</u>	<u>118.1</u>
Transfers between funds		183.7	(183.7)	-	-
NET MOVEMENTS IN FUNDS		<u>266.5</u>	<u>454.9</u>	<u>721.4</u>	<u>118.1</u>
Reconciliation of funds:					
Balances brought forward 1 January		3,952.6	7,489.4	11,442.0	11,323.9
Balances carried forward 31 December		<u>4,219.1</u>	<u>7,944.3</u>	<u>12,163.4</u>	<u>11,442.0</u>

STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

Company number 06489067

	Note	2020 £'000	2019 £'000
INTANGIBLE FIXED ASSETS	7	165.5	167.1
TANGIBLE FIXED ASSETS			
Housing properties	8	13,249.8	13,372.6
Other fixed assets	9	47.1	20.1
		<u>13,462.4</u>	<u>13,559.8</u>
CURRENT ASSETS			
Debtors	10	43.3	31.8
Cash at bank and in hand		<u>642.4</u>	<u>239.8</u>
		685.7	271.6
CREDITOR S: amounts falling due within one year	11	(252.0)	(616.0)
NET CURRENT ASSETS / (LIABILITIES)		<u>433.7</u>	<u>(344.4)</u>
CREDITOR S: amounts falling due after more than one year			
Housing loans	12	(1,732.7)	(1,773.4)
NET ASSETS		<u>12,163.4</u>	<u>11,442.0</u>
THE FUNDS OF THE CHARITY			
Unrestricted reserves			
Revenue reserve		(25.7)	(308.9)
Designated reserve:			
Fixed asset fund		4,244.8	4,261.5
Total unrestricted reserves	13	<u>4,219.1</u>	<u>3,952.6</u>
Restricted reserves			
Housing for racing industry staff		7,944.3	7,489.4
Total restricted reserves	13	<u>7,944.3</u>	<u>7,489.4</u>
TOTAL FUNDS		<u>12,163.4</u>	<u>11,442.0</u>

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

The financial statements on pages 30 to 45 of Racing Homes were approved by the Board of Directors and authorised for issue on 1st June 2021 and signed on its behalf by:



Simon Hope (Chair)

STATEMENT OF FINANCIAL CASHFLOWS

for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cash provided by operating activities	a)	662.5	888.9
Cash flows from investing activities:			
Purchase of tangible fixed assets	8,9	(219.2)	(1,420.0)
Net cash used in investing activities		<u>(219.2)</u>	<u>(1,420.0)</u>
Net cash used in financing activities			
Repayment of loans		(40.7)	(30.0)
Net increase/(decrease) in cash and cash equivalents		<u>402.6</u>	<u>(561.1)</u>
Cash and cash equivalents at 1 January		239.8	800.9
Cash and cash equivalents at 31 December		<u>642.4</u>	<u>239.8</u>

a) Reconciliation of net income for the year to net cash provided by operating activities

	2020 £'000	2019 £'000
Net income/(expenditure) for the year	721.4	118.1
Depreciation and amortisation	259.6	193.0
Decrease in debtors	(11.5)	404.3
Increase in creditors	(307.0)	173.5
Net cash inflow provided by operating activities	<u>662.5</u>	<u>888.9</u>

b) Analysis of net debt

	At 1 January 2020 £'000	Cash flows £'000	Non- Cash flows £'000	At 31 December 2020 £'000
Bank	239.8	402.6	-	642.4
Loans	(1,814.0)	40.7	-	(1,773.3)
	<u>(1,574.2)</u>	<u>443.3</u>	<u>-</u>	<u>(1,130.9)</u>
Borrowings				
Debt due within 1 year	(40.6)	40.7	(40.7)	(40.6)
Debt due after 1 year	(1,773.4)	-	40.7	(1,732.7)
	<u>(1,814.0)</u>	<u>40.7</u>	<u>-</u>	<u>(1,773.3)</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1. ACCOUNTING POLICIES

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 (FRS 102) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

Basis of consolidation

The charitable company is exempt by virtue of section 398 of the Companies Act 2006 from the requirement to prepare group accounts. The financial statements present information about the company as an individual undertaking and not about its group.

Going concern

Following the World Health Organisation declaring the Covid-19 pandemic in March 2020, the trustees have identified increased rent arrears and bad debts as the primary risk areas. The majority, 70%, of rental income is received from retired beneficiaries in receipt of state pension and other benefits. 26% of the rent roll is received directly to the charity from government provided benefit payments. Tenants facing hardship are able to access support through Racing Welfare and the specifically designated Covid-19 hardship fund. The charity's healthy cash balance at the year end together with 2021-2023 budgets scrutinised by the Finance, Investment and Audit Committee and subsequent cash flow forecasting has not identified any issues that would give rise to a going concern risk.

The directors have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of approval of the financial statements, and the charity is well placed to manage its business risks successfully despite the current economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Income

Income from charitable activities represents rents and service charges receivable. All rental and service charge income is from social housing lettings. Grants and donations are recognised as income upon approval of application or receipt, whichever is sooner and only to the extent that any performance criteria has been met. Interest receivable is included in the accounts when due.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1. ACCOUNTING POLICIES (CONT.)

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Tangible fixed assets and depreciation

Housing properties are stated at deemed cost less accumulated depreciation; 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. Other fixed assets are stated at cost less accumulated depreciation.

Depreciation is charged on a straight line basis over the expected useful economic lives of the assets as follows:

Housing properties (including leasehold)	2% per annum or over the lease term
Housing property improvements	10%-25% per annum
Housing property fixtures and fittings	25% per annum

Freehold land is not depreciated.

The residual value (land) is calculated as a proportion of the deemed cost of the properties at the balance sheet date, calculated using the guidance issued by the National Housing Federation.

The Charity capitalises expenditure on housing which results in an increase in net rental income, which adds to the value of the property or which extends its useful economic life.

Intangible fixed assets - nomination rights

Nomination rights cover the right to nominate 6 residents to Childwick House, Newmarket and 17 residents to Fielden Court, Kingsclere. They are depreciated in equal amounts over a period of 125 years. They are stated at net book value.

Interest payable

Interest payable is charged to the SOFA in the year which it accrues.

Irrecoverable VAT

All resources expended are 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.

Fund accounting

Unrestricted funds are those which are available for use at the discretion of the Trustees in furtherance of the general objects of the charity and which have not been designated for other purposes.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1. ACCOUNTING POLICIES (CONT)

Fund accounting (continued)

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

Restricted funds are those 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.

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. INCOME

	2020 £'000	2019 £'000
Donations and legacies		
Grants received - restricted	847.9	234.2
Donations - unrestricted	5.0	75.0
	<u>852.9</u>	<u>309.2</u>
Charitable activities		
Rent receivable net of identifiable service charges	724.4	516.8
Service charges receivable	55.2	68.3
	<u>779.6</u>	<u>585.1</u>
Investment income		
Interest receivable	0.1	0.5
	<u>0.1</u>	<u>0.5</u>
Total income	<u>1,632.6</u>	<u>894.8</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3. TOTAL EXPENDITURE

	Activities undertaken 2020 £'000	Support costs 2020 £'000	Total 2020 £'000	Total 2019 £'000
Charitable activities				
Provision of social housing (note 4)	858.4	52.8	911.2	776.7
	<u>858.4</u>	<u>52.8</u>	<u>911.2</u>	<u>776.7</u>
Support costs				
Overheads and administration costs			46.0	45.0
Governance			6.8	8.1
			<u>52.8</u>	<u>53.1</u>

Audit fees included in support costs amount to £6.9k (2019: £4.3k)

4. ANALYSIS OF SOCIAL HOUSING COSTS

	Total 2020 £'000	Total 2019 £'000
Operating costs		
Management costs	328.2	285.2
Service charges	117.6	100.4
Maintenance of properties	119.9	105.4
Governance costs	6.8	8.1
Bad debts	5.5	8.8
Loan interest	74.5	75.8
Depreciation of housing properties	245.4	186.2
Depreciation of fixtures and fittings	12.6	5.2
Amortisation of nomination rights	1.6	1.6
Expenditure on social housing	<u>911.2</u>	<u>776.7</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

5. STAFF COSTS

	Total 2020 £'000	Total 2019 £'000
Wages	107.6	49.5
Employer's national insurance contributions	9.3	3.7
Pension costs	7.4	3.6
Total	124.3	56.8

The average number of staff in the year was 5 (2019: 3)

No employees earned over £60,000 in the year

Key staff, which are deemed to be The Chief Executive Officer and Chief Operating Officer of Racing Welfare along with Racing Homes's former Head of Housing (to December 2020), are employed by Racing Welfare or The Jockey Club Estates, therefore the Charity incurred total remuneration costs of £nil in this respect during the year (2019: £nil).

6. DIRECTORS' REMUNERATION

No remuneration was paid to the Directors during the year, nor in the previous year. No travelling and subsistence expenses were paid in 2020 (2019: £nil).

7. INTANGIBLE FIXED ASSETS

	Nomination Rights £
Cost	
At 1 January 2020 and 31 December 2020	<u>197.7</u>
Amortisation	
At 1 January 2020	30.6
Charge for year	1.6
At 31 December 2020	<u>32.2</u>
Net book value	
At 31 December 2020	<u>165.5</u>
At 31 December 2019	<u>167.1</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

8. TANGIBLE FIXED ASSETS - HOUSING PROPERTIES

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Freehold improvements £'000	Totals £'000
Deemed cost				
At 1 January 2020	12,649.6	895.0	692.9	14,237.5
Additions	14.6	-	108.0	122.6
At 31 December 2020	<u>12,664.2</u>	<u>895.0</u>	<u>800.9</u>	<u>14,360.1</u>
Depreciation				
At 1 January 2020	775.3	54.4	35.2	864.9
Charge for the year	191.0	11.5	42.9	245.4
At 31 December 2020	<u>966.3</u>	<u>65.9</u>	<u>78.1</u>	<u>1,110.3</u>
Net book value				
At 31 December 2020	<u>11,697.9</u>	<u>829.1</u>	<u>722.8</u>	<u>13,249.8</u>
At 31 December 2019	<u>11,874.3</u>	<u>840.6</u>	<u>657.7</u>	<u>13,372.6</u>

Historic cost	2020 £'000	2019 £'000
Gross cost	12,516.5	12,393.9
Accumulated depreciation on historical cost	(2,392.4)	(2,175.9)
	<u>10,124.1</u>	<u>10,218.0</u>
Housing properties, at deemed cost, comprise:		
Freeholds	13,465.1	13,342.5
Long leaseholds	895.0	895.0
	<u>14,360.1</u>	<u>14,237.5</u>

Housing properties include freehold land of £3,111.3k (2019: £3,111.3k) that is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

9. TANGIBLE FIXED ASSETS - OTHER

	Fixtures and fittings £'000	Motor Vehicles £'000	Total £'000
Cost			
At 1 January 2020	92.7	6.0	98.7
Additions	39.6	-	39.6
Disposals	-	(6.0)	(6.0)
At 31 December 2020	<u>132.3</u>	<u>-</u>	<u>132.3</u>
Depreciation			
At 1 January 2020	72.6	6.0	78.6
Charge for the year	12.6	-	12.6
Elimination on disposal	-	(6.0)	(6.0)
At 31 December 2020	<u>85.2</u>	<u>-</u>	<u>85.2</u>
Net book value			
At 31 December 2020	<u>47.1</u>	<u>-</u>	<u>47.1</u>
At 31 December 2019	<u>20.1</u>	<u>-</u>	<u>20.1</u>

10. DEBTORS

	2020 £'000	2019 £'000
Rental debtors	30.2	27.0
Prepayments and accrued income	3.1	3.2
Due from the Rous Charity	2.0	-
Other debtors	8.0	1.6
	<u>43.3</u>	<u>31.8</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Due to the Rous Charity	-	88.4
Due to parent undertaking – Racing Welfare	39.4	258.5
Other taxation and social security payable	2.3	1.2
Trade creditors	46.9	97.7
Accruals and deferred income	122.0	129.1
Other creditors	0.8	0.5
Housing loans	40.6	40.6
	<u>252.0</u>	<u>616.0</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

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

	2020 £'000	2019 £'000
Housing loans	<u>1,732.7</u>	<u>1,773.4</u>
	<u>1,732.7</u>	<u>1,773.4</u>
Analysis of Housing loans repayable by instalments:		
Within one year	40.6	40.6
Between one and two years	40.7	40.6
Between two and five years	123.0	122.6
After five years	<u>1,569.0</u>	<u>1,610.1</u>
	<u>1,773.3</u>	<u>1,813.9</u>

There are two housing loans:

- A loan with a total outstanding amount of £93.9k is secured on properties at Jack Jarvis Close, bears interest at a fixed rate of 15% per annum and is repayable over a period of 60 years from 1980.
- A loan was taken out in 2019, secured against Summerhill House. The loan bears interest of 3.55% and is repayable over a period of 10 years from 2018 at £40k p.a with a break clause after 5 years. The balance will be paid on the maturity date.

13. RESERVES

	At 1 January 2020 £'000	Income in the year £'000	Expenditure in the year £'000	Transfers £'000	At 31 December 2020 £'000
Unrestricted funds					
Revenue Reserve	(308.9)	784.7	(500.4)	(1.1)	(25.7)
Designated - Fixed Asset Fund	4,261.5	-	(201.5)	184.8	4,244.8
Total unrestricted funds	<u>3,952.6</u>	<u>784.7</u>	<u>(701.9)</u>	<u>183.7</u>	<u>4,219.1</u>
Restricted funds					
Housing for Racing Industry Staff	7,465.4	296.8	(134.2)	(183.7)	7,444.3
Middleham Development	-	500.0	-	-	500.0
Racing Homes Strategy Report	-	51.1	(51.1)	-	-
Housing Support Officer	24.0	-	(24.0)	-	-
Total restricted funds	<u>7,489.4</u>	<u>847.9</u>	<u>(209.3)</u>	<u>(183.7)</u>	<u>7,944.3</u>
Total funds	<u>11,442.0</u>	<u>1,632.6</u>	<u>(911.2)</u>	<u>-</u>	<u>12,163.4</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

13. RESERVES (CONT.)

General reserves represented by the revenue reserve are £25.7k in deficit as at 31 December 2020 (2019 – £308.9 deficit). The strategy for funding refurbishment works at MacDonald Buchanan House in 2019 was for Racing Welfare to raise the money through a fundraising campaign. This campaign was carried out and very generously a number of trusts supported the project but at 31 December 2019 there was a shortfall of £224k. In addition, Summerhill House was funded partly by reserves and partly by the loan, and with an unexpected loss reported in 2018 the general reserve became depleted beyond the level expected by the trustees when the funding strategy for Summerhill House was set. In 2020 the board applied for a grant from Racing Welfare to subsidise the shortfall between current rents charged in 2019 and those that would have been charged if an immediate blanket policy of Local Housing Allowance rates had been applied. The grant of £253k was formally agreed at the Racing Welfare board meeting in March 2020 and allocated towards the shortfall in funding for MacDonald Buchanan House. The Revenue Reserve is expected to return to a surplus position during 2021.

An amount of £69.8k was transferred from the revenue reserve to the designated Fixed Asset Fund, being additions to designated assets that were funded from the revenue reserve. Also funded by the revenue reserve were loan repayments of loans secured against designated assets totalling £115.0k, for which a transfer from general funds to designated funds has been made.

An amount of £111.5k was transferred from the revenue reserve to the restricted Housing for Racing Industry Staff fund, being additions to restricted assets that were funded by the revenue reserve. Upon receipt of the £295.2k in grants from Racing Welfare towards the refurbishment of MacDonald Buchanan House, this amount was transferred to the revenue reserve which funded the costs in lieu of grants being received.

	At 1 January 2019 £'000	Income in the year £'000	Expenditure in the year £'000	Transfers £'000	At 31 December 2019 £'000
Unrestricted funds					
Revenue reserve	142.6	660.6	(507.9)	(604.2)	(308.9)
Designated - Fixed Asset Fund	4,122.4	-	(154.0)	293.1	4,261.5
Total unrestricted funds	4,265.0	660.6	(661.9)	(311.1)	3,952.6
Restricted funds					
Housing for Racing Industry Staff	7,058.9	210.2	(114.8)	311.1	7,465.4
Housing Support Officer	-	24.0	-	-	24.0
Total restricted funds	7,058.9	234.2	(114.8)	311.1	7,489.4
Total funds	11,323.9	894.8	(776.7)	-	11,442.0

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

13. RESERVES (CONT.)

An amount of £186.8k was transferred from the revenue reserve to the designated fixed asset fund, being additions to designated assets that were funded from the revenue reserve. Also funded by the revenue reserve were loan repayments of loans secured against designated assets totalling £106.3k, for which a transfer from designated funds to designated funds has been made.

An amount of £311.1k was transferred from the revenue reserve to the restricted Housing for racing industry staff fund, being additions to restricted assets that were funded by the revenue reserve.

The designated Fixed Asset Fund sets aside funds equivalent to the net book value of both tangible and intangible fixed assets (less; the value of fixed assets associated with the restricted reserve and any liability secured against the asset) and is intended to highlight reserves allocated for such use.

The restricted fund, Housing for Racing Industry, arises as a result of the transfer of housing assets from Racing Welfare. These assets were transferred 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 from Racing Welfare less any liability secured against the asset.

The restricted Middleham Development fund arises from a grant received from Racing Welfare to be used towards the costs of a new development in Middleham, a key racing centre.

The restricted Racing Homes Strategy Report fund arises from a grant received from the Racing Foundation to be used towards the costs of reviewing Racing Homes's strategic options to expand its property portfolio in key racing centres.

The restricted Housing Support Officer fund arises from a grant received to be used towards the costs of employing a Housing Support Officer.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds £'000	Designated Funds £'000	General Funds £'000	Total £'000
As at 31 December 2020				
Fixed assets	7,444.3	6,018.1	-	13,462.4
Current Assets	500.0	-	185.7	685.7
Current liabilities	-	(40.6)	(211.4)	(252.0)
Long-term liabilities	-	(1,732.7)	-	(1,732.7)
	7,944.3	4,244.8	(25.7)	12,163.4
As at 31 December 2019				
Fixed assets	7,484.4	6,075.4	-	13,559.8
Current Assets	24.0	-	247.6	271.6
Current liabilities	(19.0)	(40.5)	(556.5)	(616.0)
Long-term liabilities	-	(1,773.4)	-	(1,773.4)
	7,489.4	4,261.5	(308.9)	11,442.0

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

16. CONNECTED CHARITIES

The Charity has some directors and administration in common with the following charities:

- Racing Welfare
- The Bentinck, Beresford and Rendlesham Charity
- The Rous Charity

These charities have the same principal office as Racing Homes.

Racing Welfare is the sole member of the Charity. Its charitable objects include the relief of poverty and distress amongst people working in, or retired from, the thoroughbred racing and breeding industry and their dependants. This is congruent with the objects of Racing Homes.

The Rous Charity is an almshouse charity, of which Racing Homes is the sole Trustee.

Balances due to/(from) Racing Homes were as follows:

	2020 £'000	2019 £'000
Amounts due to Racing Welfare	(39.4)	(258.5)
Amounts due from/(to) the Rous Charity	2.0	(88.4)

During the year £46k (2019: £45k) in respect of management and administration overheads were allocated to the Charity by Racing Welfare. The Racing Welfare group manages its cash across entities as needed, therefore inter-charity balances are perpetually in existence. During 2019 £250k was transferred to Racing Homes from Racing Welfare to ease cash flow during the renovation of MacDonald Buchanan House and was largely responsible for the £258.5k balance at 31 December 2019. This was subsequently paid down in 2020 following the approval of the £253.0k LHA Subsidy.

During the year total grants of £847.9k were received from Racing Welfare (2019: £234.2k).

The charity collects rents on behalf of the Rous Charity and pays for shared costs between the two charities. During the year the charity collected rents amounting to £58,769 (2019: £57,243) on behalf of the Rous Charity and received shared costs attributable to the Rous Charity of £22,868 (2019: £22,847), including staff costs of £13,957 (2019: £11,956). During the year the charity paid £122,561 to the Rous Charity in settlement of the inter-charity loan account.

17. PARENT AND ULTIMATE CONTROLLING PARTY

The charity's parent undertaking is Racing Welfare, Charity number 1084042, Company registration number 04116279, whose address is the same as Racing Homes and whose charitable objectives are the relief of poverty, sickness, injury and the advancement of education to those employed or formally employed in the racing industry.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

17. PARENT AND ULTIMATE CONTROLLING PARTY (CONT.)

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.

During the year The Jockey Club provided professional services to the charity, valued at £5k (£2019: £75k), free of charge. This has been recognised as a donation in kind and a management cost in the statement of financial activities.

18. CAPITAL COMMITMENTS

At 31 December, the Charity had the following capital commitments:

Contracts for future capital expenditure not provided in the financial statements
Improvements to freehold property

2020 £'000	2019 £'000
-	101.0

19. CONTINGENT LIABILITIES

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. POST BALANCE SHEET EVENTS

Following the year end an application was submitted to the Charity Commission seeking approval to merge The Rous Charity with Racing Homes. The Trustee of the Rous Charity passed a resolution on 7 December 2020 approving the process.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

21. STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR YEAR ENDED 31ST DECEMBER 2018

	Note	Unrestricted funds 2019 £'000	Restricted funds 2019 £'000	Total funds 2019 £'000
INCOME FROM:				
Donations and legacies		75.0	234.2	309.2
Charitable activities	4	585.1	-	585.1
Investments		0.5	-	0.5
TOTAL INCOME		<u>660.6</u>	<u>234.2</u>	<u>894.8</u>
EXPENDITURE ON:				
Charitable activities	4	661.9	114.8	776.7
TOTAL EXPENDITURE		<u>661.9</u>	<u>114.8</u>	<u>776.7</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR		(1.3)	119.4	118.1
Transfers between funds (restated)		(311.1)	311.1	-
NET MOVEMENT IN FUNDS		<u>(312.4)</u>	<u>430.5</u>	<u>118.1</u>
Balances brought forward 1 January (restated)		4,265.0	7,058.9	11,323.9
Balances carried forward 31 December		<u>3,952.6</u>	<u>7,489.4</u>	<u>11,442.0</u>