



# RACING HOMES

## Report and Financial Statements

31 December 2023

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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.

A handwritten signature in black ink, appearing to read 'Simon Hope'.

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:

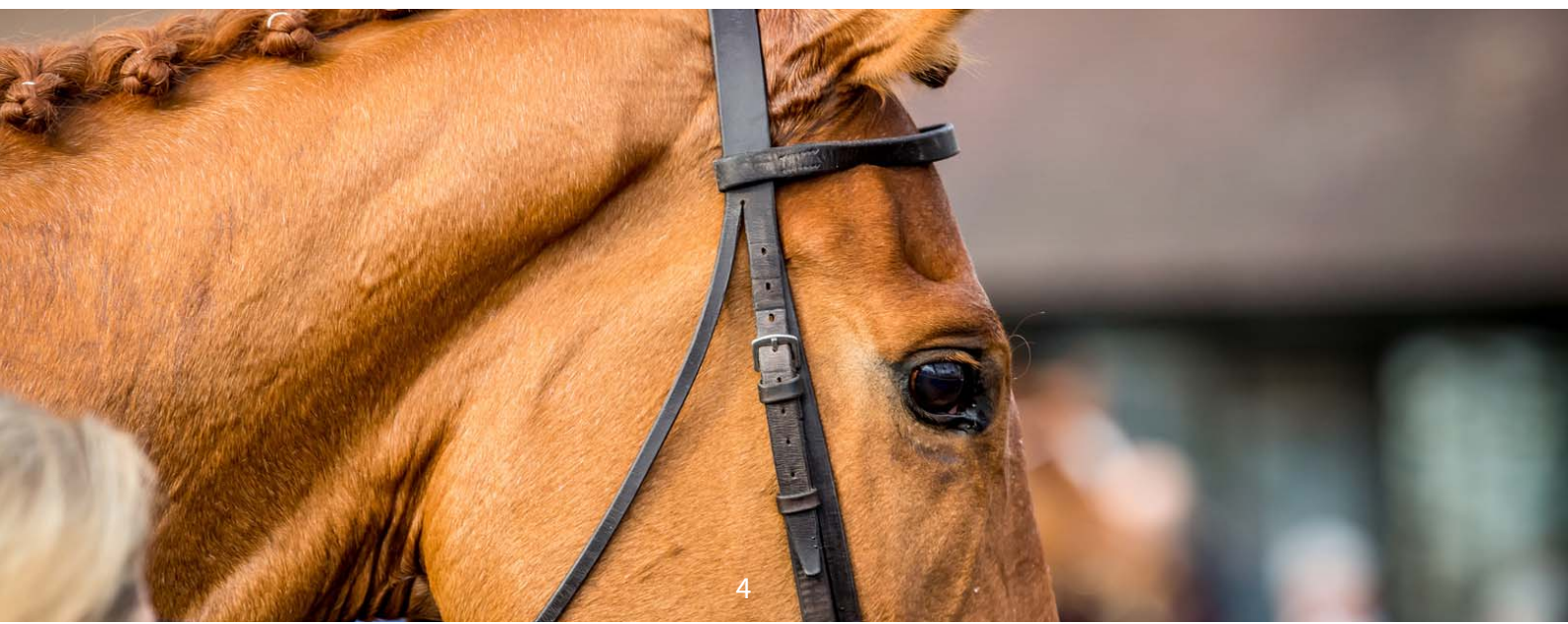
### **Young People – 23% of the portfolio**

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.

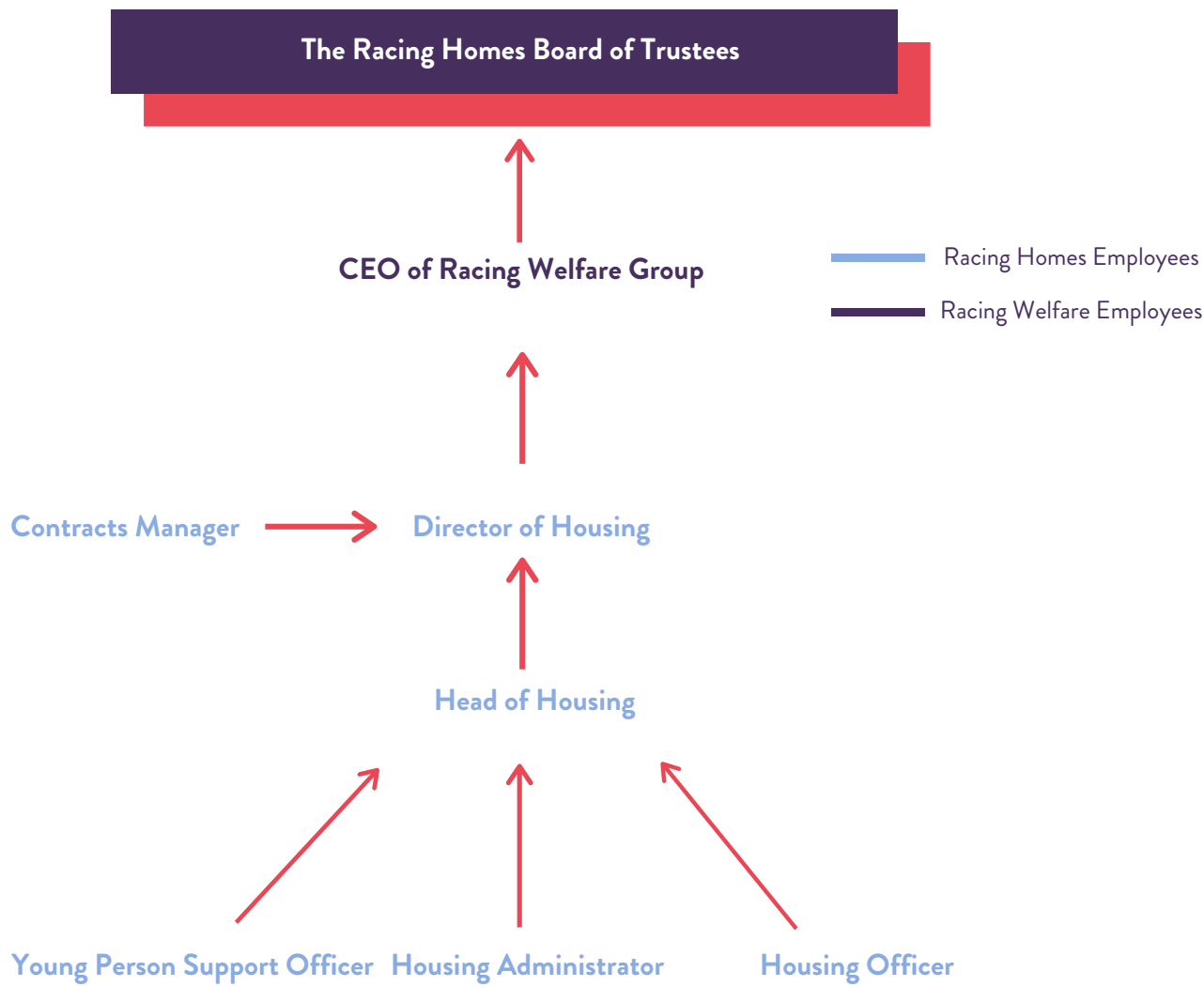
In addition to the close association with Racing Welfare's Welfare Team, Racing Homes employs a Young Person Project Officer. The role was introduced in 2019 and they are on hand to check in with the residents, giving guidance and carrying out reviews. These cover a range of topics such as debt and budgeting, 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.



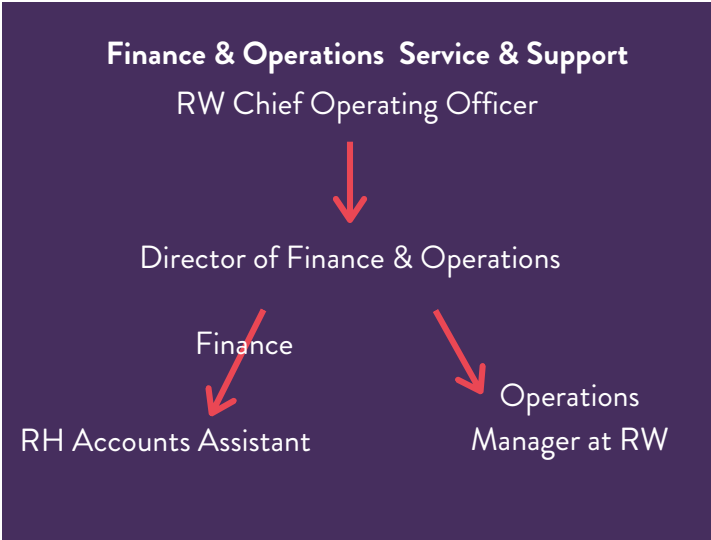
# TRUSTEES' REPORT

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.

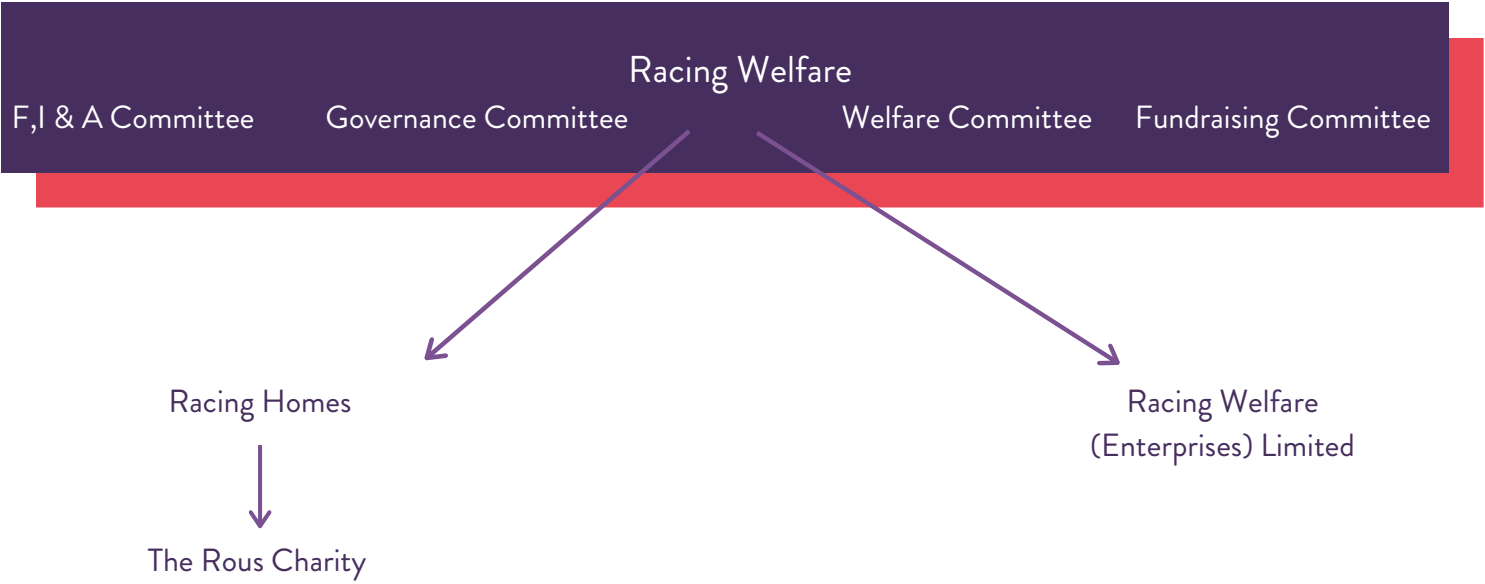
Set out in the table below are the principal risks that are specific to Racing Homes and actions taken to mitigate the risks. The trustees acknowledge that there are further, more generic risks, which are included on the charity's risk register and may score highly but these risks are not listed here 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><b>Failure to protect vulnerable adults and young people:</b></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><b>Non-compliance with electrical, gas and fire safety requirements:</b></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><b>Stock deterioration</b></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

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## **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](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, 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)
<b>INCOME FROM:</b>					
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
<b>TOTAL INCOME</b>	2	<u>1,033.4</u>	<u>25.6</u>	<u>1,059.0</u>	<u>1,117.8</u>
<b>EXPENDITURE ON:</b>					
Charitable activities	3	936.6	326.6	1,263.2	1,102.0
<b>TOTAL EXPENDITURE</b>		<u>936.6</u>	<u>326.6</u>	<u>1,263.2</u>	<u>1,102.0</u>
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR BEFORE GAINS AND LOSSES ON INVESTMENTS</b>		96.8	(301.0)	(204.2)	15.8
Net gains (losses) on investments		18.1	-	18.1	-
<b>NET INCOME / (EXPENDITURE) FOR THE YEAR</b>		<u>114.9</u>	<u>(301.0)</u>	<u>(186.1)</u>	<u>15.8</u>
Transfers between funds		452.5	(452.5)	-	-
<b>NET MOVEMENTS IN FUNDS</b>		<u>567.4</u>	<u>(753.5)</u>	<u>(186.1)</u>	<u>15.8</u>
<b>Reconciliation of funds:</b>					
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
<b>INTANGIBLE FIXED ASSETS</b>	7	160.7	162.3
<b>TANGIBLE FIXED ASSETS</b>			
Housing properties	8	12,810.4	12,967.3
Other fixed assets	9	12.4	23.8
<b>INVESTMENTS</b>	10	665.7	-
		<u>13,649.2</u>	<u>13,153.4</u>
<b>CURRENT ASSETS</b>			
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
<b>CREDITORS: amounts falling due within one year</b>	12	(215.3)	(350.3)
<b>NET CURRENT ASSETS</b>		<u>168.0</u>	<u>890.9</u>
<b>CREDITORS: amounts falling due after more than one year</b>			
Housing loans	13	(1,610.1)	(1,651.1)
<b>NET ASSETS</b>		<u>12,207.1</u>	<u>12,393.2</u>
<b>THE FUNDS OF THE CHARITY</b>			
<b>Unrestricted reserves</b>			
General fund		375.6	285.8
Designated reserves		4,880.7	4,403.1
<b>Total unrestricted reserves</b>	14	<u>5,256.3</u>	<u>4,688.9</u>
<b>Restricted reserves</b>			
Housing for racing industry staff		6,950.8	7,704.3
<b>Total restricted reserves</b>	14	<u>6,950.8</u>	<u>7,704.3</u>
<b>TOTAL FUNDS</b>		<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
<b>Cash provided by operating activities</b>	<b>a)</b>	469.7	(205.1)
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets	<b>8,9</b>	(122.7)	73.0
Purchase of investments		(647.6)	-
<b>Net cash used in investing activities</b>		<u>(770.3)</u>	<u>73.0</u>
<b>Net cash used in financing activities</b>			
Repayment of loans		(40.9)	(40.7)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>(341.5)</u>	<u>(172.8)</u>
<b>Cash and cash equivalents at 1 January</b>		559.3	732.1
<b>Cash and cash equivalents at 31 December</b>		<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)
<b>Net cash inflow provided by operating activities</b>	<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>
<b>Borrowings</b>				
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
<b>Donations and legacies</b>		
Grants received - restricted	25.6	208.2
Donations - unrestricted	-	28.0
Legacies - unrestricted	117.9	-
	<u>143.5</u>	<u>236.2</u>
<b>Charitable activities</b>		
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>
<b>Investment income</b>		
Interest receivable	<u>5.9</u>	<u>0.1</u>
<b>Other income</b>	<u>5.3</u>	<u>0.2</u>
<b>Total income</b>	<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
<b>Charitable activities</b>				
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>
<b>Support costs</b>				
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
<b>Operating costs</b>		
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
<b>Expenditure on social housing</b>	<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	<u>279.6</u>	<u>228.7</u>

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 £
<b>Cost</b>	
At 1 January 2023 and 31 December 2023	197.7
<b>Amortisation</b>	
At 1 January 2023	35.4
Charge for year	1.6
At 31 December 2023	37.0
<b>Net book value</b>	
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
<b>Deemed cost</b>					
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
<b>Depreciation</b>					
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
<b>Net book value</b>					
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>
<b>Housing properties, at deemed cost, comprise:</b>		
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
<b>Cost</b>			
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>
<b>Depreciation</b>			
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>
<b>Net book value</b>			
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
<b>Listed securities</b>		
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>
<b>Listed investments are represented by:</b>		
Trojan Income Fund (S Income)	422.4	
Troja Fund (S Income)	<u>243.3</u>	
	<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
<b>Unrestricted funds</b>						
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
<b>Total unrestricted funds</b>	<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>
<b>Restricted funds</b>						
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)	-
<b>Total restricted funds</b>	<u>7,704.3</u>	<u>25.6</u>	<u>(326.6)</u>	<u>-</u>	<u>(452.5)</u>	<u>6,950.8</u>
<b>Total funds</b>	<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
<b>Unrestricted funds</b>						
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
<b>Total unrestricted funds</b>	<b>4,679.1</b>	<b>909.6</b>	<b>(889.2)</b>	<b>-</b>	<b>(10.6)</b>	<b>4,688.9</b>
<b>Restricted funds</b>						
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)	-	-	-
<b>Total restricted funds</b>	<b>7,698.3</b>	<b>208.2</b>	<b>(212.8)</b>	<b>-</b>	<b>10.6</b>	<b>7,704.3</b>
<b>Total funds</b>	<b>12,377.4</b>	<b>1,117.8</b>	<b>(1,102.0)</b>	<b>-</b>	<b>-</b>	<b>12,393.2</b>

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
<b>As at 31 December 2023</b>				
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>
<b>As at 31 December 2022</b>				
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

## 20. CAPITAL COMMITMENTS

	2023 £'000	2022 £'000
Contracted future capital expenditure not provided for	25.2	-



# 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
<b>INCOME FROM:</b>				
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
<b>TOTAL INCOME</b>		<b>909.6</b>	<b>208.2</b>	<b>1,117.8</b>
<b>EXPENDITURE ON:</b>				
Charitable activities	4	889.2	212.8	1,102.0
<b>TOTAL EXPENDITURE</b>		<b>889.2</b>	<b>212.8</b>	<b>1,102.0</b>
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<b>20.4</b>	<b>(4.6)</b>	<b>15.8</b>
Transfers between funds		(10.6)	10.6	-
<b>NET MOVEMENT IN FUNDS</b>		<b>9.8</b>	<b>6.0</b>	<b>15.8</b>
Balances brought forward 1 January		4,679.1	7,698.3	12,377.4
<b>Balances carried forward 31 December</b>		<b>4,688.9</b>	<b>7,704.3</b>	<b>12,393.2</b>