

# THE RACING FOUNDATION

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Charity Registration Number: 1145297  
Company Registration Number: 07890908

**THE RACING FOUNDATION**  
**ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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## THE RACING FOUNDATION

### REFERENCE AND ADMINISTRATION DETAILS

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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**Charity name**

The Racing Foundation

**Charity registration number**

1145297

**Company registration number**

07890908

**Registered address**

75 High Holborn

London

WC1V 6LS

**Directors and Trustees during the year**

Ian Barlow (Term ended 31<sup>st</sup> December 2021)

William Rucker (Term ended 31<sup>st</sup> December 2021)

Mark Johnston

Linda Bowles

Susannah Gill

Louise Kemble

**Directors and Trustees appointed post year-end**

Julia Budd (Term commenced 8<sup>th</sup> January 2022)

Algy Smith-Maxwell (Term commenced 21<sup>st</sup> January 2022)

Alice Page (Term commenced 31<sup>st</sup> January 2022)

**Key Management Personnel****Chief Executive Officer**

Rob Hezel

**Grants Manager**

Tansy Challis

**Independent auditor**

RSM UK Audit LLP

Bluebell House

Brian Johnson Way

Preston

PR2 5PE

**Bankers**

Weatherbys Bank Ltd

Sanders Road

Wellingborough

Northamptonshire

NN8 4BX

**Investment managers**

Cazenove Capital

Management

12 Moorgate

London

EC2R 6DA

James Hambro & Partners

Ryder Court

14 Ryder Street

London

SW1Y 6QB

Sarasin & Partners

LLP Juxon House

100 St Paul's

Churchyard

London

EC4M 8BU

## THE RACING FOUNDATION

### TRUSTEES' REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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The Trustees are pleased to present their annual directors report together with the financial statements of the charity for the year ending 31 December 2021 which are also prepared to meet the requirements for directors' report and accounts for companies act purposes.

The financial statements comply with the charities act 2011, the Companies Act 2006, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with financial reporting standard applicable in the UK and Republic of Ireland (FRS 102).

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### *Governing Document*

The Racing Foundation was founded by its Members, the British Horseracing Authority, the Racecourse Association and the Horsemen's Group in December 2011 so that the racing industry had an appropriate vehicle to accept and distribute funds arising from the government's sale of the Horserace Totalisator Board ('Tote'). To comply with State Aid rules, it was required to be established as a registered charity with objects to provide funding to charities working in UK Racing.

The Racing Foundation is constituted as a company limited by guarantee, incorporated on 22<sup>nd</sup> December 2011 and registered as a charity on 6<sup>th</sup> January 2012. In the event of the company being wound up, Members are required to contribute an amount not exceeding £1. The company was established under a Memorandum of Association, which established the objects and powers of the charitable company and is governed under its Articles of Association.

The Racing Foundation amended its Articles of Association in 2019, with approval from the Charities Commission and its Members to allow it to make grants for the furtherance of its purposes to non-charitable bodies providing they are for charitable purposes. Previously it was restricted to giving solely to charities. A further amendment was made in 2021 to increase the maximum number of Trustees to 8.

#### *Trustee Induction and Training*

New Trustees are appointed with reference to the role description and person specification for Racing Foundation Trustees. This description is amended to reflect specific skills the Trustees consider they may require at each appointment stage. All Trustees receive an introductory presentation from Foundation staff and are provided with a range of documentation to update them on the Foundation's strategy, governance, policies and current challenges.

Trustees are encouraged to keep updated with relevant legislation, developments and best practice both within the racing and charity sectors and are regularly updated by staff at and between meetings.

#### *Related Parties and co-operation with other organisations*

The Foundation regularly updates its Members on key issues and independently gathers their feedback. This has included the extension of existing Trustees, the appointment of new Trustees and the development of the 2021-2023 strategy. The Foundation engages with senior management and staff at the Member organisations to ensure it has a broad understanding of the industry and to provide greater detail and understanding on key issues.

#### *Pay policy for senior staff*

Staff remuneration is reviewed annually at the year-end by the Chair and any changes are proposed to the Trustees for approval. During January 2021 Trustees approved an increase in salaries for the year based on cost of living factors and a review of previous performance.

#### *Appointment of Trustees*

The Members are responsible for the appointment of directors, who are also charity Trustees for the purposes of charity law. The number of Trustees shall consist of at least two and not more than eight persons. Members appoint Trustees for terms of up to three years. Unless the Members agree unanimously, a Trustee may only serve a maximum of two terms, before stepping down for a period. All new Trustees are given a full induction on joining the board of Trustees.

## THE RACING FOUNDATION

### TRUSTEES' REPORT (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Two Trustees, Ian Barlow and William Rucker ended their terms of office on the 31<sup>st</sup> December 2021 both having served six years as Trustees. Three new Trustees have been appointed in 2022, Julia Budd, Algy Smith-Maxwell and Alice Page who all commenced their terms in January 2022.

##### *Organisation*

The Trustees are responsible for the governance of the charity and for the use of its funds. In particular, the Trustees are responsible for setting the charity's strategy and policies, and monitoring progress and fulfilment of these. Day to day management of the charity's affairs is delegated to the Chief Executive Officer who is supported by a Grants Manager. These individuals form the key staff for the charity and remuneration is set and reviewed annually by the Trustees. In 2021 an Events and Communications Manager was also appointed.

#### OBJECTIVES AND ACTIVITIES

The objects of the charity are:

The advancement for the public benefit of any charitable purpose associated with the horseracing and thoroughbred breeding industry or with equine welfare, in each case by making grants for such charitable purpose or purposes.

In furtherance of these objects, the Trustees developed a strategic plan which provides a framework for how the Foundation will operate over the period 2021-2023. The Foundation considers that the funds it has received from the government's sale of the Tote represent a unique opportunity to establish a lasting legacy for the horseracing and thoroughbred breeding industry. Therefore, in developing plans, the Trustees agreed to take an approach that:

- Balances the needs of current and future generations;
- Develops supportive relationships with stakeholders, based on mutual trust and respect;
- Encourages continuous improvement, reflection and learning; and;
- Reflects our independence and long-term perspective.

2021 was the first year of implementation of the Foundations strategy for 2021-2023, the strategy committed the foundation to support the areas of the sport that are charitable in their nature and the areas that can provide the basis for creating a stronger, fairer, more diverse and more sustainable horseracing and breeding industry in the future. The Foundation intends to increase engagement with its stakeholders, to be more transparent about its results, become more active in ensuring the delivery of funded projects and activities and to continue to work flexibly with other funders to provide finance.

The approved strategy documented the Foundation's purpose, ambitions and activity for three years.

The Foundation's purpose was defined as:

- We exist to make a difference in racing by acting as a catalyst and a funder of improvement.

The Foundation's ambitions were to:

- Drive an industry people strategy to attract, develop and retain more staff.
- Support the industry's equine agenda on welfare and research.
- Support the sport to deliver an enhanced programme of community engagement.
- Increase awareness of environmental and other emerging issues.

## THE RACING FOUNDATION

### TRUSTEES' REPORT (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Foundation's activity involved:

- Grant and loan funding
- Supporting industry strategy, the industry COVID-19 response and the industries charity sector
- Ensuring delivery of our own processes and governance

#### STRATEGIC REPORT

##### *Covid-19*

The Annual Report and Accounts report on another year impacted by the covid-19 situation. The disease and the response from Government and from racing has again impacted upon the Foundation during the year. The Foundation has again collaborated with its members and wider stakeholders to assist with the industry response to the situation. The Foundation has provided funding for the relief of hardship at an individual and organisational level where that can be done charitably, has again worked with the Horseracing Betting Levy Board (HBLB) to co-ordinate charitable funds to this cause and has supported the racing charity sectors survival. The Foundation has been flexible with grantees to ensure they were able to manage the impact of the pandemic on the projects they had received funding for. Additionally, £3m was donated to the HBLB to support its charitable spend to allow its funds to be re-directed to support the wider industry.

Our investments proved resilient to the crisis and the real value of the endowment has been maintained. Their performance is reported in more detail below.

Despite the on-going impact of covid-19 Trustees and staff are pleased with the first year of progress in the delivery of the 2021-2023 strategy.

##### ***Grant Making Policy***

The Foundation may only make grants for charitable purposes to organisations which have been established in the UK or to other bodies for charitable purposes.

The Trustees of the Foundation ensure that the funds are applied appropriately for eligible purposes only and are subject to appropriate terms and conditions. To that end, the Trustees have set out the areas of focus for its giving over the next three years:

- People; social welfare, training and education
- Equine; horse welfare and research
- Community Engagement
- Diversity and inclusion
- Environmental sustainability

## THE RACING FOUNDATION

### TRUSTEES' REPORT (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### STRATEGIC REPORT (continued)

Trustees are therefore, satisfied that the Foundation meets the Charity Commission's public benefit test. Details of the Foundation's achievements and performance in 2021 against the 2021-2023 strategic plan are listed below:

##### *Achievements and Performance*

The Foundation has developed an approach to the delivery of its strategy that:

- Builds understanding
- Prompts collaboration
- Funds action

Achievement and performance in 2021 is highlighted against each aspect of the approach in a strategy dashboard which is shared with both Trustees and external stakeholders.

##### *Build understanding*

7 research grants were funded at a cost of £496k.

The Foundation also commissioned a staff recruitment, retention and training survey the results of which will be available in 2022.

The Horseracing Industry Conference was again organised and hosted with 75% of attendees rating it excellent and 25% very good.

Twitter, Instagram, website and newsletter engagement levels all increased.

The Foundation was featured in 55 pieces of written and broadcast media.

##### *Prompt collaboration*

Foundation staff contributed to 12 industry working or steering groups.

Staff also contributed to and or instigated 8 learning activities.

A funders network was facilitated and developed.

A Racing charities network was also established and developed.

##### *Fund action*

47 open grant requests were received and 31 were awarded.

26 covid-19 specific grants were also made.

£3m was granted to the HBLB to support the wider industry response to covid-19.

£3.4m in open grants and 0.4m in covid-19 grants were awarded totalling £6.8m were awarded in the year.

Match funding of £2.1m also supported the grant applications.

14 grants were for in-year delivery, 15 for projects over 2021 and 2022 and 2 were for periods of 3-5 years.

Awarded grants by area of focus were:

People	75%
Equine	14%
Community engagement	10%
Environment and emerging issues	1%

Further details of particular grants and performance review documents are available at [www.racingfoundation.co.uk](http://www.racingfoundation.co.uk)

## **RACING FOUNDATION**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **STRATEGIC REPORT (continued)**

#### **Financial Review**

The Racing Foundation received its final payment from the Department of Media, Culture and Sport in 2014. Its receipts have been placed with investment managers, with the aim of preserving the capital over the long term and generating investment income to fund grant-making activities.

The Foundation generated income from bank deposits and investments amounting to £1.7m (2020: £1.8m). Investment gains of £8.5m (2020: £4.1m) occurred.

Expenditure totalled £7.4m (2020: £4.1m), including grants of £6.8m (2020: £3.5m). This figure represents the value of grants awarded at the date Trustees approved them. Many awards are multi-year in nature despite the full cost being recognised in 2021 and in cash terms will be funded out of future income.

Overall, as at 31 December 2021 the Foundation's net funds stood at £94.5m (2020: £91.8m). Endowment performance has exceeded our benchmark of CPI + 3% since inception.

#### ***Reserves Policy and going concern***

The Foundation has adopted a policy of maintaining the long-term real capital value of all receipts arising from the government's sale of the Tote and only spending the financial return derived from the capital. This will ensure that the Tote sale proceeds generate a lasting legacy, which will benefit both current and future generations.

The funds received from the Department of Culture Media and Sport as expendable endowment, are held separately in the accounts along with a designated fund, representing those funds received from the Department of Culture Media and Sport in 2012, which did not carry the expendable endowment restriction on use. Whilst these monies came without restriction, the Trustees felt that it was important to treat these as contributing towards the long-term legacy of the Tote sale and placed an expendable endowment restriction on them too. While Charity Law does not allow for these funds to be merged, they are treated identically.

The Foundation also maintains a general reserve. This unrestricted fund is used to accumulate investment income prior to being spent on charitable grants and costs associated with administering the Foundation.

#### ***Investment Policy and Performance***

The Foundation has an investment policy, which applies to all monies held within the expendable endowment fund and the designated fund. The policy aims to maintain the real capital value over the long-term, whilst generating a sustainable level of return to support the grant-making activities of the Foundation.

In order to control risk and volatility in the investment portfolio, Trustees have adopted a long-term annual expenditure target of at least 3% of the investment asset value. As a result, the Trustees have adopted an investment performance benchmark of inflation (as measured by the Consumer Prices Index) plus 3% per annum, in the medium to long term after all costs.

The Foundation used the services of three investment managers during the year. Cazenove Capital Management, James Hambro and Partners and Sarasin and Partners LLP, are the investment managers. The performance of these investment managers is closely monitored by the Trustees, with the assistance of a specialist independent investment advisor who also advises Trustees on reviewing and updating the investment policy.



## THE RACING FOUNDATION

### TRUSTEES' REPORT (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### STRATEGIC REPORT (continued)

##### *Performance*

The overall performance of investment managers exceeded the targets set for the year. Trustees expected performance to reflect a net increase (in capital value and the generation of investment income) of CPI plus 3% which equated to 3.3% in 2021. Actual performances were:

Manager	2021 target	2021 actual	Target from inception	Actual from inception
James Hambro	8.4%	11.4%	54.5%	113.5%
Cazenove	8.4%	12.6%	54.5%	90.1%
Sarasin	8.4%	10.5%	34.3%	61.1%

This resulted in a gain on investments of £8.5m (2020: £4.1m). The Foundation investments are made for the long-term in line with our investment policy, based on the professional advice we source. It is inevitable that market fluctuations will have an adverse impact on the value of our investments at certain times and indeed this has happened during the first quarter of 2022.

##### **Plans for future Periods**

The Foundation strategy identifies four areas of focus: people, equine welfare, community engagement and environmental sustainability and other emerging issues. These issues are critical to racings engagement with its people, its horses and its communities. They are key to maintaining the sports social licence and can positively influence the sports standing with its communities and politicians at both a local and national level.

The approach to be adopted is to:

**Build Understanding:** We will build understanding, define progress and measure success across the key areas of activity we will support.

**Prompt Collaboration:** We will support those delivering activities we fund with advice, guidance, training and development and promote learning and growth for those delivering racings future.

**Fund Action:** We will provide increased levels of funding and pro-actively work with other funders to leverage additional resources.

Detailed operational plans and budgets have been approved by Trustees for 2022. These plans build on the activity of 2021 and provide a framework against which performance can be monitored at both an organisational and individual level.

In undertaking the activities identified in the business plan the Foundation will support the delivery of the outcomes identified in its strategy and in doing so will be delivering against its purpose:

We exist to make a difference in racing by acting as a catalyst and a funder of improvement.

A fuller review of our performance over the last year and our 3 year strategy is available to view in full at [www.racingfoundation.co.uk](http://www.racingfoundation.co.uk).

## THE RACING FOUNDATION

### TRUSTEES' REPORT (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

#### STRATEGIC REPORT (continued)

##### Principal Risks and Uncertainties

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

Risk description	Risk mitigation
<b>Stock market volatility:</b> Market volatility may impact upon both levels of investment income generated and the real value of the funds held.	The Trustees have consulted widely and taken advice during on their investment policy and approach. Manager performance continues to be closely monitored and Trustees have independent advisors who attend all meetings to advise them.
<b>Lack of continuity and infrastructure:</b> The need to replace Trustees and the small staff numbers threaten continuity.	Additional staffing resources have been used to support a number of projects in-year. A communication and event manager was appointed in February 2021 and a Kickstart placement appointed in November 2021. 2 new Trustees and a new Chair were all successfully recruited during the year.
<b>Industry alignment:</b> The Trustees decisions on priorities for use the funds may be questioned by industry stakeholders	The Trustees and staff continue to engage widely with stakeholders to inform activities and strategy. The Foundation adopts an approach that sees it align clearly with industry issues and champion industry strategies. The increased co-operation with other funders including the HBLB has continued throughout 2021 and into 2022.
<b>IT fraud, cyber-attack:</b> The general levels of IT fraud have escalated however no attacks have taken place in year.	The Trustees are satisfied that the current procedures protect them as far as is reasonable.
<b>Covid-19:</b> The implications on the industry, the Foundations stakeholders and wider grantee network impacts the delivery of the strategy.	The Foundation has continued to work flexibly and pro-actively to help stakeholders respond to the challenges faced in 2021. This included supporting wider industry activities with £3m through the HBLB.

The Trustees have adopted a formal risk management process to assess risk and implement risk management strategies. This process involves:

- A quarterly review to identify the risks the Foundation may face.
- The establishment of systems and procedures to mitigate those risks.

As a result of this process, the Trustees are satisfied that adequate procedures and systems are in place to effectively manage risk.

#### TRUSTEES' RESPONSIBILITIES STATEMENT

The Foundation's Trustees (who are also the directors for the purposes of Company Law) are responsible for preparing the Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law and the law applicable to charities in England and Wales requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources. In preparing the financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;

## THE RACING FOUNDATION

### TRUSTEES' REPORT (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the Charities SORP (2016). They are also responsible for safeguarding the assets of the charity and hence 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 charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Statement of Disclosure to 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.

#### DECLARATION

The Trustees declare that they have approved the Trustees' report above.

Signed on behalf of the charity's Trustees

*Julia Budd*

Julia Budd  
Chairman of the Trustees

Date: 20/04/22

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RACING FOUNDATION FOR THE YEAR ENDED 31 DECEMBER 2021**

## **Opinion**

We have audited the financial statements of The Racing Foundation (the 'charitable company') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Annual Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## **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 and the Strategic 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 and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic 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 pages 9 and 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's 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 framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- 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.

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 and the charitable company's governing document. 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, reviewing minutes of meetings held in the year for any instances for non-compliance and remaining alert to new or unusual transactions which may not be in accordance with the governing document.

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 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.

*Karen Musgrave*

Karen Musgrave (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
PR2 5PE

Date 20/04/22

**THE RACING FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES**

**(Including the Income and Expenditure Account and Statement of Total Recognised Gains and Losses)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Unrestricted funds £000s	Expendable endowment funds £000s	Total 2021 £000s	Total 2020 £000s
<b>Income and endowments from:</b>					
Donations and legacies		10	-	10	290
Income from investments		1,659	-	1,659	1,831
<b>Total income and endowments</b>	<b>3</b>	<b>1,669</b>	<b>-</b>	<b>1,669</b>	<b>2,121</b>
<b>Expenditure from:</b>					
Raising funds:					
Investment management costs		-	(216)	(216)	(313)
Charitable activities:					
Grant making		(7,192)	-	(7,192)	(3,761)
<b>Total expenditure</b>	<b>4</b>	<b>(7,192)</b>	<b>(216)</b>	<b>(7,408)</b>	<b>(4,074)</b>
<b>Net (expenditure)/income</b>		<b>(5,523)</b>	<b>(216)</b>	<b>(5,739)</b>	<b>(1,953)</b>
Net gains/(losses) on investments	<b>10</b>	1,141	7,314	8,455	4,067
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>(4,382)</b>	<b>7,098</b>	<b>2,716</b>	<b>2,114</b>
Total funds brought forward		11,703	80,080	91,783	89,669
Total funds carried forward		7,321	87,178	94,499	91,783

All of the activities are continuing. There were no recognised gains or losses other than those stated above.

The notes on pages 17 to 27 form part of these financial statements

**THE RACING FOUNDATION**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2021**

	Notes	Unrestricted funds £000s	Expendable endowment funds £000s	Total 2021 £000s	Total 2020 £000s
<b>Fixed Assets</b>					
Tangible assets	9	-	-	-	2
Investments	10	8,260	86,188	94,448	85,648
<b>Total fixed asset</b>		8,260	86,188	94,448	85,650
<b>Current assets</b>					
Debtors	11	200	-	200	100
Cash at bank and in hand	12	5,211	990	6,201	12,548
<b>Total current assets</b>		5,411	990	6,401	12,648
<b>Creditors: amounts falling due within one year</b>	13	(4,465)	-	(4,465)	(4,042)
<b>Net current assets</b>		946	990	1,936	8,606
<b>Creditors: amounts falling due after one year</b>	14	(1,885)	-	(1,885)	(2,473)
<b>Net assets</b>		7,321	87,178	94,499	91,783
<b>Funds of the charity</b>					
Unrestricted funds - general		7,321	-	7,321	11,703
Endowment funds		-	87,178	87,178	80,080
<b>Total funds</b>	15	7,321	87,178	94,499	91,783

These financial statements were approved and authorised for issue by the Trustees on 20/04/22 and were signed on their behalf by:

*Julia Budd*

Julia Budd  
Chairman of the Trustees

The notes on pages 17 to 27 form part of these financial statements.



**THE RACING FOUNDATION****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Notes</b>	<b>Total 2021 £000s</b>	<b>Total 2020 £000s</b>
<b>Cash flows from operating activities</b>	<b>16a</b>	<u>(7,661)</u>	<u>(5,577)</u>
<b>Cash flows from investing activities</b>			
Investment income received		1,659	1,831
Proceeds from sale of investments		13,516	25,419
Payments to acquire investment assets		(13,861)	(20,693)
Payments to acquire tangible fixed assets		<u>-</u>	<u>(2)</u>
<b>Net cash generated from investing activities</b>		<u>1,315</u>	<u>6,555</u>
<b>Change in cash and cash equivalents in the reporting period</b>	<b>16b</b>	<u><u>(6,347)</u></u>	<u><u>978</u></u>

The notes on pages 17 to 27 form part of these financial statements.

# THE RACING FOUNDATION

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1. BASIS OF PREPARATION

##### 1.1 Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £'000 unless otherwise stated.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### 1.2 Going concern

The Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future and the company is well placed to manage its risks successfully. Accordingly, they adopt the going concern basis in preparing the annual report and accounts. Trustees have assessed going concern in light of the ongoing impact of Covid-19 do not see it as an issue to affect the going concern status of the charity given the nature of the Charity and its spending.

#### 2 ACCOUNTING POLICIES

##### 2.1 Incoming resources

Income is included in the Statement of Financial Activities (SoFA) when:

- the charity becomes entitled to the resources;
- the Trustees are virtually certain they will receive the resources; and
- the monetary value can be measured with sufficient reliability.

Where incoming resources have related expenditure the incoming resources and related expenditure are reported gross in the SoFA.

Grants and donations are only included in the SoFA when the charity has unconditional entitlement to the resources.

Short term debtors are measured at transaction price, less any impairment.

Investment income is included in the accounts when due. Investment gains and losses include any gain or loss on the sale of investments and any gain or loss resulting from revaluing investments to market value at the end of the year.

##### 2.2 Expenditure and liabilities

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

Governance costs include costs of the preparation and audit of statutory accounts, the costs of Trustee meetings and cost of any legal advice to Trustees on governance or constitutional matters.

## THE RACING FOUNDATION

### NOTES TO THE ACCOUNTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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## 2 ACCOUNTING POLICIES (continued)

Where the charity gives a grant commitment with conditions for its payment being a specific level of service or output to be provided, such grants are only recognised in the SoFA once the recipient of the grant has agreed to provide the specified service or output. Grants commitments payable without performance conditions are recognised in the accounts when a commitment has been made and there are no conditions to be met relating to the grant which remain in the control of the charity.

Support costs have been allocated to activity on the basis of staff time and resources.

### 2.3 Assets

Tangible fixed assets for use by charity are capitalised if they can be used for more than one year, and cost at least £1,000. They are valued at cost or a reasonable value on receipt.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected useful economic lives as follows:

Office equipment over 4 years

Investments are a form of basic financial instruments and are initially shown in the financial statements at market value. Movements in the market values of investments are shown as unrealised gains and losses in the Statement of Financial Activities.

### 2.4 Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### 2.5 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at settlement value.

### 2.6 Funds

General unrestricted funds are donations and other income receivable or generated for the objects of the charity.

Expendable endowment funds and designated funds are held separately from general unrestricted funds. There is no requirement to spend or apply the capital from either of these funds unless, or until, the Trustees decide to spend it. If the Trustees exercise the power to spend or apply the capital of the expendable endowment or designated funds, the relevant funds are transferred to unrestricted general funds in line with the terms of the original grant from the department of culture, media and sport.

### 2.7 Investment Policy

The investment policy applies to all monies held within the expendable endowment fund and the designated fund. Investments are stated at market value at the balance sheet date, the cost of investments includes commission paid to the investment managers. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year. Investments held in foreign currencies have been valued on the relevant basis and translated into sterling at the rate ruling at the balance sheet date. Exchange gains and losses arising on translation are included as part of the change of market value in the investments.

**THE RACING FOUNDATION**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

3. ANALYSIS OF INCOMING RESOURCES	2021 £000s	2020 £000s
<b>Donations and legacies</b>		
Donations	10	290
<b>Investment income</b>		
Dividends receivable	1,639	1,798
Bank interest	20	33
<b>Total</b>	1,669	2,121
4. ANALYSIS OF RESOURCES EXPENDED	2021 £000s	2020 £000s
<b>Cost of generating funds</b>		
Investment management fees	187	258
Independent investment advice	29	29
Support costs	-	26
	216	313
<b>Charitable activity: grant making</b>		
Grants payable (see note 5)	6,801	3,465
Other charitable activity	63	48
Support costs (see note 6)	307	232
Governance - Auditor's fee	21	16
Governance - Trustees expenses	-	-
	7,192	3,761
<b>Total</b>	7,408	4,074

# THE RACING FOUNDATION

## NOTES TO THE ACCOUNTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

5. GRANT EXPENDITURE	2021 £000	2020 £000
<b>Community Engagement:</b>		
Apiafi Associates	103	-
Diversity in Racing Steering Group	45	-
National Trainers Federation	50	-
Racecourse Association	207	-
Racing to School	43	-
Racing Together	9	-
Riding a Dream Academy	106	10
Take the Reins	20	15
Urban Equestrian Academy	71	-
Racing Centre	36	-
	<b>690</b>	<b>25</b>
<b>People:</b>		
Racing Homes	-	51
British Horseracing Authority	20	-
Women in Racing	140	-
Racing Welfare	1,286	-
Rose Paterson Trust	50	-
Exeter University	19	-
Horseracing Betting Levy Board	3,000	-
Amateur Jockeys Association	11	-
Newmarket Academy	1	-
Concussion Foundation	30	10
Inspire Foundation	-	20
Liverpool John Moores University	-	120
Injured Jockey's Fund	-	10
Racehorse Association	-	38
Urban Equestrian Academy	-	20
Professional Jockeys Association	123	603
National Trainers Federation	36	108
Amateur Jockeys Association	-	19
National Association of Racing Staff	10	43
National Horseracing College (Formerly, Northern Racing College)	147	190
British Racing School	-	85
Greatwood Charity	-	110
University of Liverpool	-	78
HEROS	-	213
Pony Racing Authority	-	905
Thoroughbred Breeders Association	370	-
Racing to School	-	14
Injured Jockeys Fund	-	5
Resume Foundation	-	9
Scottish Racing	309	240
Racehorse Sanctuary	-	(5)
	<b>5,552</b>	<b>2,886</b>
<b>Equine:</b>		
Horserace Betting Levy Board	200	-
Horse Welfare Board	335	-
Racecourse Association	229	-
HEROS	150	-
Moorcroft	-	46
Racehorse Rescue Centre	-	7
British Thoroughbred Rehabilitation Centre	105	208
Horse Welfare Board	-	60

New Beginnings	-	64
Racehorse Sanctuary	-	84
Racehorse relief fund (Racehorse Owners Association)	28	64
	<b>1,047</b>	<b>533</b>
<b>Heritage and Culture:</b>		
National Trainers Federation	-	21
	-	<b>21</b>
<b>Environmental Sustainability:</b>		
British Horseracing Authority	25	-
Thoroughbred Breeders Association	21	-
	<b>46</b>	-
<b>Total grant expenditure</b>	<b>7,335</b>	<b>3,465</b>
<b>Grants reduced/withdrawn:</b>		
<b>People:</b>		
Injured Jockeys Fund	(10)	-
Racing Welfare	(283)	-
University of Liverpool	(3)	-
Liverpool John Moores University	(94)	-
Racehorse Owners Association	(10)	-
Scottish Racing Academy	(44)	-
	<b>(444)</b>	-
<b>Equine:</b>		
University of Bristol	(61)	-
Horseracing Betting Levy Board	(29)	-
	<b>(90)</b>	-
<b>Net grant expenditure</b>	<b>6,801</b>	<b>3,465</b>

All grants were made to organisations. No grants were made to individuals.

# THE RACING FOUNDATION

## NOTES TO THE ACCOUNTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 6. SUPPORT COSTS

	Grant making £000s	Total £000s
Management & administration	207	207
Website, IT and communications	71	71
Travel and general office expenses	29	29
	<u>307</u>	<u>307</u>

All support costs are allocated to activities based on the approximate amount of staff time devoted to each activity.

#### 7. TRUSTEE REMUNERATION AND EXPENSES

The Trustees received no remuneration for their role as Trustee during this or the preceding year.

Trustee's expenses of £266 (2020: £nil) are included in charitable activities. Expenses were reimbursed to 2 trustees (2020: 0).

#### 8. STAFF COSTS

	2021 £000s	2020 £000s
Gross wages	148	144
Employer's national insurance contributions	19	17
Pension costs	16	12
<b>Total staff costs</b>	<u>183</u>	<u>173</u>

2.8 employees were employed by the company during the year (2020: 2)

Key staff incurred total remuneration costs of £140k during the year (2020: £173k).

1 employee earned between £70-75k during the period (2020: 1 - £80-90k).

**THE RACING FOUNDATION**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**9. TANGIBLE FIXED ASSETS**

	<b>Office Equipment £000s</b>	<b>Total £000s</b>
<b>Cost</b>		
Balance brought forward	13	13
Additions	-	-
Balance carried forward	<u>13</u>	<u>13</u>
<b>Depreciation</b>		
Balance brought forward	11	11
Depreciation charge for the year	<u>2</u>	<u>2</u>
Balance carried forward	<u>13</u>	<u>13</u>
<b>Net book value</b>		
Balance brought forward	<u>2</u>	<u>2</u>
Balance carried forward	<u>-</u>	<u>-</u>

**10. FIXED ASSETS INVESTMENTS**

	<b>2021 £000s</b>	<b>2020 £000s</b>
Carrying market value at the beginning of the year	85,648	86,307
Additions to investments at cost	13,861	20,693
Disposals at carrying value	(13,516)	(25,419)
Investment gains/(losses)	<u>8,455</u>	<u>4,067</u>
Carrying market value at end of year	<u>94,448</u>	<u>85,648</u>
<b>Historical cost at end of year</b>	<u>71,536</u>	<u>69,978</u>

**Analysis of investments (at market value)**

	<b>£000s</b>	<b>£000s</b>
Listed investments:		
Fixed interest securities	8,251	11,298
Equity shares	68,701	60,654
Common investment funds, investment trusts & unit trusts	<u>17,496</u>	<u>13,696</u>
Carrying market value at end of year	<u>94,448</u>	<u>85,648</u>

All investments held by the Foundation are registered on recognised UK, USA and International stock exchanges.

**Material investment holdings (at market value)**

The following investments represent more than 5% of the value of total investments:

<b>£000s</b>	<b>£000s</b>
<u>-</u>	<u>-</u>



**THE RACING FOUNDATION**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

<b>11. DEBTORS</b>					<b>2021</b>	<b>2020</b>
					<b>£000s</b>	<b>£000s</b>
Other debtors					200	100
<b>12. CASH AT BANK</b>					<b>2021</b>	<b>2020</b>
					<b>£000s</b>	<b>£000s</b>
Cash on deposit with investment managers					990	1,543
Cash on bank deposit					5,199	10,976
Current account					12	29
					6,201	12,548
<b>13. CREDITORS: amounts falling due within one year</b>					<b>2021</b>	<b>2020</b>
					<b>£000s</b>	<b>£000s</b>
Grant commitments					4,355	3,924
Accruals and deferred income					110	100
Other creditors					-	18
					4,465	4,042
<b>14. CREDITORS: amounts falling due after more than one year</b>					<b>2021</b>	<b>2020</b>
					<b>£000s</b>	<b>£000s</b>
Grant commitments					1,885	2,473
<b>15. FUNDS ANALYSIS</b>	<b>Balance</b>	<b>Incoming</b>	<b>Outgoing</b>		<b>Gains and</b>	<b>Balance</b>
	<b>Brought</b>	<b>Resources</b>	<b>Resources</b>	<b>Transfers</b>	<b>Losses</b>	<b>Carried</b>
	<b>Forward</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>Forward</b>
	<b>£000s</b>					<b>£000s</b>
<b>Unrestricted funds</b>						
General reserves	(695)	1,669	(7,192)	-	-	(6,218)
Designated	12,398	-	-	-	1,141	13,539
	11,703	1,669	(7,192)	-	1,141	7,321
<b>Endowment funds</b>						
Expendable:						
Tote Sale Proceeds	80,080	-	(216)	-	7,314	87,178
<b>Total funds</b>	91,783	1,669	(7,408)	-	8,455	94,499

# THE RACING FOUNDATION

## NOTES TO THE ACCOUNTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 15. FUNDS ANALYSIS (continued)

##### Unrestricted General Reserves

The general reserve represents those unrestricted funds held by the charity which have not been designated for a specific purpose. These funds receive all endowment income and are held to cover grant expenditure and the ongoing costs of administering the charity.

##### Unrestricted Designated – Tote Sale Proceeds

The Tote Sale Proceeds designated fund was established to hold funds granted by the Department for Culture Media and Sport, where those funds were not restricted as expendable endowment. Although unrestricted, the Trustees had chosen to designate these funds for long-term investment and treat them as an expendable endowment on which in ordinary circumstances they intend to spend the financial return including interest generated by these funds.

##### Expendable Endowment – Tote Sale Proceeds

The Tote Sale Proceeds expendable endowment fund was established to hold funds granted by the Department for Culture Media and Sport, where those funds were deemed expendable endowment by the grantor. The Trustees have chosen to utilise these funds for long-term investment and spend the financial return generated by these funds.

16. NOTES TO THE CASH FLOW STATEMENT	2021 £000s	2020 £000s
(a) Reconciliation of net income to net cash inflow from operating activities:		
Net income	(5,739)	(1,953)
Adjustments:		
Items not involving the movement of funds:		
Depreciation charge	2	-
Investment income receivable	(1,659)	(1,831)
Changes in working capital:		
Increase in debtors	(100)	(77)
Decrease in creditors	(165)	(1,716)
Net cash outflow from operating activities	<u>(7,661)</u>	<u>(5,577)</u>
(b) Reconciliation of net cash flow to movement in net funds:		
Increase/(Decrease) in cash in the year	<u>(6,347)</u>	<u>978</u>
Change in net funds	<u>(6,347)</u>	<u>978</u>

## THE RACING FOUNDATION

### NOTES TO THE ACCOUNTS (continued)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 16. NOTES TO THE CASH FLOW STATEMENT (continued)

##### (c) Analysis of the change in net funds:

	1 Jan 2021 £000s	Cash flow £000s	31 Dec 2021 £000s
<b>Net cash:</b>			
Cash at bank and in hand	12,548	(6,347)	6,201
<b>Change in net funds</b>	<u>12,548</u>	<u>(6,347)</u>	<u>6,201</u>

#### 17. TRANSACTIONS WITH RELATED PARTIES

During the year grants with a net value of £1,203k (2020: £51k) were awarded to Racing Welfare. The sole member of Racing Welfare is the Jockey Club. William Rucker and Ian Barlow were Trustees of the Racing Foundation and Members of the Jockey Club during the year. At the year end the balance due to Racing Welfare was £1.3m (2020: £1.4m).

During the year grants with a combined value of £147k (2020: £190k) were awarded to the National Horseracing College. Susannah Gill is a Trustee of the National Horseracing College (formerly Northern Racing College). At the year end the balance due to the National Horseracing College (formerly Northern Racing College) was £0k (2020: £0k).

During the year grants with a combined value of £45k (2020: £0k) were awarded to the Diversity and Inclusion Steering Group. Susannah Gill and Linda Bowles were Trustees of the Racing Foundation and members of the Diversity and Inclusion Steering Group during the year. At the year end the balance due to the Diversity and Inclusion Steering Group was £163k (2020: £0k).

During the year grants with a combined value of £391k (2020: £0k) were made to the Thoroughbred Breeders Association, £28k (2020: £64k) to the Racehorse Owners Association, £123k (2020: £603k) to the Professional Jockeys Association, £86k (2020: £129k) to the National Trainers Federation, and £10k (2020: £43k) to the National Association of Racing Staff. All these bodies are Members of the Horsemen Group, who are one of the three Members of the Racing Foundation. At the year end the balance due to the Thoroughbred Breeders Association was £317k (2020: £252k) and Racehorse Owners Association was £0k (2020: £10k).

During the year grants with a combined value of £436k (2020: £38k) were made to the Racecourse Association. The Racecourse Association are one of the three Members of the Racing Foundation. At the year end the balance due to the Racecourse Association was £84k (2020: £0k).

During the year grants with a combined value of £45k (2020: £0k) were made to the British Horseracing Authority, (BHA). The BHA are one of the three Members of the Racing Foundation. At the year end the balance due to the BHA was £25k (2020: £0k).

**THE RACING FOUNDATION**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**18. ACTIVITIES BY FUND IN PREVIOUS YEAR**

Activities in both unrestricted and restricted funds for the previous year are as follows:-

	Notes	Unrestricted funds £000's	Expendable endowment funds £000's	Total 2020 £000's
<b>Income and endowments from:</b>				
Donations and legacies		290	-	290
Income from investments		1,831	-	1,831
<b>Total income and endowments</b>	3	2,121	-	2,121
<b>Expenditure on:</b>				
Raising funds:				
Investment management costs		(26)	(287)	(313)
Charitable activities:				
Grant making		(3,761)	-	(3,761)
<b>Total expenditure</b>	4	(3,787)	(287)	(4,074)
Net gains/(losses) on investments		541	3,526	4,067
<b>Net movement in funds</b>		(1,125)	3,239	2,114

**19 Net income/(expenditure) for the year**

	2021 £000s	2020 £000s
This stated after charging:		
Depreciation	2	-
Auditors remuneration	21	16

**20. Financial instruments**

	2021 £000s	2020 £000s
<b>Financial assets:</b>		
Debt instruments measured at amortised cost	200	100
Equity instruments measured at cost less impairment	94,448	85,648
<b>Financial liabilities:</b>		
Measured at amortised cost	6,350	6,515