

THE RACING FOUNDATION

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

**Charity Registration Number: 1145297
Company Registration Number: 07890908**

THE RACING FOUNDATION
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FOR THE YEAR ENDED 31 DECEMBER 2023

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THE RACING FOUNDATION

REFERENCE AND ADMINISTRATION DETAILS

FOR THE YEAR ENDED 31 DECEMBER 2023

Charity name

The Racing Foundation

Charity registration number

1145297

Company registration number

07890908

Registered address

Holborn Gate,
26 Southampton Buildings
London
WC2A 1AN

Directors and Trustees during the year

Linda Bowles	Senior Independent Director
James Boyle	(Term commenced 1 st January 2023)
Julia Budd	Chair
Susannah Gill	(Term ended 9 th April 2024)
Louise Kemble	
Alice Page	
Rishi Persad	(Term commenced 14 th February 2023)
Algy Smith-Maxwell	

Key Management Personnel**Chief Executive Officer**

Rob Hezel	(Position ended 31 st August 2023)
Tansy Challis	(Position commenced 1 st September 2023)

Grants Manager

Tansy Challis	(Position ended 31 st August 2023)
Stanley Wong	(Position commenced 1 st November 2023)

Head of Communications and Events

Rhi Lee-Jones

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	James Hambro & Partners	Sarasin & Partners LLP	Jupiter Fund Management plc	Dimensional Fund Advisors Ltd
12 Moorgate	Ryder Court	Juxon House	The Zig Zag Building	20 Triton Street
London	14 Ryder Street	100 St Paul's Churchyard	70 Victoria Street	Regent's Place
EC2R 6DA	London	London	London	London
(Investment ended 16 th October 2023)	SW1Y 6QB	EC4M 8BU	SW1E 6SQ	NW1 3BF
			(Investment commenced 16 th October 2023)	(Investment commenced 16 th October 2023)

THE RACING FOUNDATION

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 December 2023 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 Thoroughbred 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 22nd December 2011 and registered as a charity on 6th 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 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 by another Trustee (and also by the CEO for roles other than her own). During January 2023 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 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Mark Johnston ended his term of office on the 31st December 2022 having served six years as Trustee. James Boyle was appointed to replace him on the 1st January 2023. Rishi Persad was also appointed as a Trustee on the 14th February 2023. It was agreed in 2023 that a Senior Independent Director (SID) role should be created at the Racing Foundation to ensure continuity on the Board. Linda Bowles was appointed in this newly formed role on 1st June 2023.

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 Head of Communications and Events and a Grants Manager. The Head of Communications and Events is supported by a Social Media Officer. These individuals form the key staff for the charity and remuneration is set and reviewed annually by the Trustees.

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.

2023 was the third year of implementation of the Foundation's strategy for 2021-2023, which 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 documents the Foundation's purpose, ambitions and activity for three years.

The Foundation's purpose is defined in the 2021-23 strategy as:

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

The Foundation's ambitions are 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 2023

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Foundation's activity in 2023 involved:

- Grant and loan funding
- Supporting industry strategies and the industry's charity sector
- Ensuring delivery of our own processes and governance

STRATEGIC REPORT

It was a challenging year for our investments with high inflation and market volatility meaning the amount we paid out in grants exceeded the value of the income from our investments. Trustees previously committed to maintaining the real value of the endowment but recognised there may be a need to draw down on investments to cover short-term grant-making commitments. As a result, they had withdrawn £9m to support spending through the next strategy period to 2026. The performance of the funds by manager is reported in more detail below.

Trustees are provided with a quarterly strategy dashboard and a timeline document to update them on progress with the delivery of the strategy, and at the end of 2023 were provided with a final end of the 2021-23 strategy review. Both Trustees and staff are pleased with the progress made over the course of the three years in the delivery of the 2021-2023 strategy, whilst acknowledging that success of outcomes was directly linked to the development of industry strategies. As it is not our role to lead on these, the success of our 2021-23 strategy is intrinsically linked to the performance of others. There are, therefore, factors out of our control that mean the targets set against the overarching outcomes we had hoped to achieve were only partially met (ranging from 33% – 75% between our key areas of focus). However, it was agreed that this was not a full reflection of the progress that had been made. Whilst industry strategies are taking longer than originally anticipated to be developed and thus against which to target and measure the impact of our funding, we have noticed a desire among industry stakeholders to work in a more collaborative and strategic manner and an appetite to drive change. We see this as hugely positive and feel that by the end of 2024 we will have a better overview of the development, implementation and performance of industry strategies in our key areas of focus and we will be better able to measure the outcomes and impact of our giving. As a result, it has been agreed that we will deliver a one-year strategy for 2024 that will represent a slight refresh of the 2021-2023 strategy and that we will then use a full review of the 2021-2023 and 2024 strategies to formulate our 2025-2027 strategy.

Grant Making Policy

The Foundation may only make grants for charitable purposes to charitable organisations which have been established in the UK or to other UK bodies and organisations 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 set out the areas of focus for giving during the 2021-23 strategy, which are:

- People: social welfare, training & education and diversity & inclusion
- Equine: horse welfare and equine science research
- Community Engagement
- Environmental sustainability and emerging issues

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

THE RACING FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

STRATEGIC REPORT (continued)

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 2023 is highlighted against each aspect of the approach in a strategy dashboard which is shared with both Trustees and external stakeholders.

Build understanding

- Industry staff recruitment, retention and training survey was undertaken at the end of 2023.
- The annual Horseracing Industry Conference was delivered in October 2023. The audience grew by 11% over the year before and it was delivered as racing's first carbon neutral conference. 23% of attendees rated it as excellent and 64% as very good, with 47% citing they would take action in the area of environmental sustainability following the conference.
- Communications and news outlets saw engagement levels increase over the previous year - Twitter 10%, Instagram 30%, website 11%, LinkedIn 122% and newsletter 10%.
- The Foundation was featured in 55 pieces of written and broadcast media.

Prompt collaboration

- Foundation staff contributed to 14 industry working or steering groups.
- Staff also contributed to and or instigated 12 learning activities.
- The grantmakers' network evolved and was further developed, Chaired by the Foundation's Head of Grants.
- The Foundation's communications team provided communications and events strategy guidance and operational support to beneficiaries.

Fund action

- 39 grant applications received.
- 28 grants awarded and 1 loan.
- Total amount awarded £9,233,067 (gross) including £7.5m loan to HBLB for the Weighing Room Loan Scheme.
- Match-funding: £532,230 from applicant pledges and £867,928 from other funders; total was £1,400,158 (excluding the loan).
- 3 research projects funded.
- 10 grants were for in-year delivery; 16 for projects delivered over 2022-2023; and 1 for a period of 3-5 years.
- The loan was awarded for repayment over 5 years.

New grants awarded by area of focus were:

People	51%
Community Engagement	22%
Environment and Emerging Issues	16%
Equine Welfare	11%

These percentages do not reflect the actual grant payments made during the year (including payments made as multi-year funding commitments from previous year's grant awards). For example they show limited allocation of new grants for equine welfare due to £1m per year previously awarded to the Horse Welfare Board in 2022 for 2022-2025.

This also doesn't include the adjustments for prior year grants awarded and it doesn't include grants withdrawn in year or the adjustments for prior year grants withdrawn. Further details of grants and strategy documents are available at www.racingfoundation.co.uk

THE RACING FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 donations, grants, bank deposits and investments amounting to £2.1m (2022: £3.7m). Investment gains of £4.4m (2022: £10.5m loss) occurred.

Expenditure totalled £2.6m (2022: £7.4m), including grants of £1.8m (2022: £6.7m). 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 2023 and in cash terms will be funded out of future income.

Overall, as at 31 December 2023 the Foundation's net funds stood at £84.2m (2022: £80.2m).

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 the following investment managers during the year: Cazenove Capital Management, James Hambro and Partners, Sarasin and Partners LLP, Jupiter Fund Management and Dimensional Fund Advisors. 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 Foundation ceased to use the services of Cazenove Capital Management in October 2023.

THE RACING FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

STRATEGIC REPORT (continued)

Performance

The overall performance of investment managers fell below 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 7% in 2023. Actual performances were:

Manager	2023 target	2023 actual	Target from inception	Actual from inception
James Hambro	7%	6%	75%	104.6%
Cazenove	7%	N/A	75%	N/A
Sarasin	7%	10%	54.8%	89.3%
Jupiter	N/A	N/A	7%	N/A
Dimensional	N/A	N/A	7%	N/A

This resulted in a gain on investments of £4.4m (2022: £10.5m loss). 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 this combined with the high rate of inflation in the year made the historical target unachievable.

Plans for future Periods

The Foundation's one-year strategy for 2024 identifies four revised key areas of focus: people welfare, equine welfare, youth and community engagement and the environment. Addressing issues in these areas is critical to racing's engagement with its people, its horses and its communities. The strategy also identifies the need to build on racing's social license and continues to emphasise the importance of diversity and inclusion, all of which apply to our four areas of focus. They can positively influence the sport's standing with its communities and politicians at both a local and national level and are important for securing a sustainable future.

Our purpose has been revised to:

We will work in partnership with the racing industry to ensure a sustainable future for the sport.

Our ambition statement has been revised to:

We will develop understanding and action around the key charitable issues facing racing and to assist the industry with developing a collaborative and strategic response.

The approach to be adopted remains the same as our 2021-23 strategy:

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 racing's future.

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

Detailed operational plans, budgets and a one-year strategy have been approved by Trustees for 2024. These plans build on the activity of the 2021-2023 strategy and provide a framework against which performance can be monitored at both an organisational and individual level. A key item to be delivered in 2024 will be the agreement and publication of the next 3-year strategy for the Foundation (2025-27). Trustees feel it is important to undertake a full review of our priorities,

THE RACING FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

STRATEGIC REPORT (continued)

ambition, activities and impact. As a result of this, and taking on board ongoing stakeholder feedback, we have identified a number of things to consider and address during 2024 to help inform our 2025-2027 strategy. These will all be considered within the context of several fundamental questions regarding our objectives; our approach; the outcomes we hope to achieve and ultimately the impact of our giving.

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. A fuller review of our performance over the last year and over our 3-year strategy as well as our 2024 strategy is available to view in full at www.racingfoundation.co.uk.

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
<i>Stock market volatility:</i> 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 the year on their investment policy and approach. As a result, they acted on the decision to re-allocate investments to a range of 'style' managers to include 'value' and 'growth' approaches to the management of funds. Manager performance continues to be closely monitored and Trustees have independent advisors who attend all meetings to advise them. During 2023 a renewed agreement with the advisors was confirmed.
<i>Lack of continuity and infrastructure:</i> 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 and to cover a member of staff during leave of absence for sickness. The Head of Grants was promoted to Chief Executive on 1 st September and a new Grants Manager was appointed on 1 st November. Two new Trustees joined in early 2023 – one with the specific skillset to replace an outgoing Trustee plus an additional Trustee with a skillset in community engagement and media. An existing Trustee also agreed to extend her first term for a further 3 years.
<i>Industry alignment:</i> The Trustees decisions on priorities for use of 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. During 2023 the Foundation worked closely with the Industry Programme Group (IPG) and continued to liaise with other funders, including the HBLB.
<i>IT fraud, cyber-attack:</i> 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 and no serious threat has been identified as requiring action.
<i>Reputational risk</i> Issues raised about the Foundation or the projects/charities we support could reduce the impact of our giving.	Any issues raised about the Foundation's work or the projects that are being supported are investigated and addressed in a timely manner to mitigate the risk of escalation.

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.

THE RACING FOUNDATION

TRUSTEES' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

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;
- 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
Chair of the Trustees

Date: 09/08/24

THE RACING FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RACING FOUNDATION

FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of The Racing Foundation (the 'charitable company') for the year ended 31 December 2023 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 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 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.

THE RACING FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RACING FOUNDATION

FOR THE YEAR ENDED 31 DECEMBER 2023

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 page 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.

THE RACING FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RACING FOUNDATION

FOR THE YEAR ENDED 31 DECEMBER 2023

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 of 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 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.

THE RACING FOUNDATION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE RACING FOUNDATION

FOR THE YEAR ENDED 31 DECEMBER 2023

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, Statutory Auditor

Chartered Accountants

Bluebell House

Brian Johnson Way

Preston

PR2 5PE

Date 15/08/24

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 2023

	Notes	Unrestricted funds £000s	Expendable endowment funds £000s	Total 2023 £000s	Total 2022 £000s
Income and endowments from:					
Donations and legacies		21	-	21	1,750
Grants		-	-	-	4
Income from investments		1,806	275	2,081	1,909
Total income and endowments	3	1,827	275	2,102	3,663
Expenditure from:					
Raising funds:					
Investment management costs		-	(131)	(131)	(207)
Support costs		(58)	-	(58)	(45)
Charitable activities:					
Grant making		(2,362)	-	(2,362)	(7,194)
Total expenditure	4	(2,420)	(131)	(2,551)	(7,446)
Net (expenditure)/income		(593)	144	(449)	(3,783)
Net gains/(losses) on investments	10	587	3,828	4,415	(10,502)
Transfers between funds		-	-	-	-
Net movement in funds		(6)	3,972	3,966	(14,285)
Total funds brought forward		2,348	77,866	80,214	94,499
Total funds carried forward		2,342	81,838	84,180	80,214

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

The notes on pages 18 to 29 form part of these financial statements

THE RACING FOUNDATION

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	Unrestricted funds £000s	Expendable endowment funds £000s	Total 2023 £000s	Total 2022 £000s
Fixed Assets					
Tangible assets	9	2	-	2	-
Investments	10	5,175	73,501	78,676	72,996
Total fixed asset		5,177	73,501	78,678	72,996
Current assets					
Debtors	11	451	7,500	7,951	200
Cash at bank and in hand	12	1,468	837	2,305	13,276
Total current assets		1,919	8,337	10,256	13,476
Creditors: amounts falling due within one year	13	(3,063)	-	(3,063)	(3,394)
Net current assets / (liabilities)		(1,144)	8,337	7,193	10,082
Creditors: amounts falling due after one year	14	(1,691)	-	(1,691)	(2,864)
Net assets		2,342	81,838	84,180	80,214
Funds of the charity					
Unrestricted funds - general		2,342	-	2,342	2,348
Endowment funds		-	81,838	81,838	77,866
Total funds	15	2,342	81,838	84,180	80,214

These financial statements were approved and authorised for issue by the Trustees on 09/08/24 and were signed on their behalf by:

Julia Budd

Julia Budd
Chairman of the Trustees

The notes on pages 18 to 29 form part of these financial statements.

THE RACING FOUNDATION

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	Total 2023 £000s	Total 2022 £000s
Cash flows from operating activities	16a	(11,785)	(5,784)
Cash flows from investing activities			
Investment income received		2,081	1,909
Proceeds from sale of investments		31,153	28,337
Payments to acquire investment assets		(32,418)	(17,387)
Payments to acquire tangible fixed assets		(2)	-
Net cash generated from investing activities		814	12,859
Change in cash and cash equivalents in the reporting period	16b	(10,971)	7,075
Cash and cash equivalents at beginning of year		13,276	6,201
Cash and cash equivalents at end of year	16c	2,305	13,276

The notes on pages 18 to 29 form part of these financial statements.

THE RACING FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

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 2023

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 2023

3	ANALYSIS OF INCOMING RESOURCES	2023	2022
		£000s	£000s
	Donations and legacies		
	Donations	9	1,750
	Conference Income	12	-
	Grants	-	4
	Investment income		
	Dividends receivable	1,711	1,767
	Other Interest	275	-
	Bank interest	95	142
	Total	2,102	3,663
4	ANALYSIS OF RESOURCES EXPENDED	2023	2022
		£000s	£000s
	Cost of generating funds		
	Investment management fees	102	178
	Independent investment advice	29	29
	Support costs (see note 6)	58	45
		189	252
	Charitable activity: grant making		
	Grants payable (see note 5)	1,820	6,718
	Other charitable activity	-	53
	Support costs (see note 6)	523	405
	Governance - Auditor's fee	18	18
	Governance - Trustees expenses	1	-
		2,362	7,194
	Total	2,551	7,446

THE RACING FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 GRANT EXPENDITURE	2023 £000	2022 £000
Community Engagement:		
Apiafi Associates	46	100
Future Proof Purpose CIC	-	19
Great British Racing	100	200
National Horseracing Museum	-	75
British Horseracing Authority	107	-
Greatwood Charity	20	-
Racing to School	18	57
Jo Foster Racing	20	-
Riding a Dream Academy	-	510
National Horseracing Museum	53	-
Urban Equestrian Academy	-	13
Racing Together	19	-
	383	974
People:		
Princes Trust	-	12
British Horseracing Authority	53	-
Racing Welfare	-	274
The British Racing School	24	-
Horseracing Betting Levy Board	-	3,000
Industry People Board	153	-
Durham University	84	-
Urban Equestrian Academy	20	30
Professional Jockeys Association	-	5
Women In Racing	64	-
National Association of Racing Staff	35	116
National Horseracing College (Formerly, Northern Racing College)	98	-
The Concussion Foundation	30	-
Scottish Racing	319	-
	880	3,437
Equine:		
Horserace Betting Levy Board	113	-
Horse Welfare Board	87	3,000
HEROS	-	81
	200	3,081
Environment and Emerging Issues		
British Horseracing Authority	124	-
Jockey Club	25	-
Stable Carbon Ltd	30	-
World Horse Welfare	80	-
The British Racing School	11	19
	270	19
Adjustments to the current year grant expenditure in relation to prior year grants awarded	214	-
Total grant expenditure	1,947	7,511

THE RACING FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Grants reduced/withdrawn:

Community engagement:

Queen Margaret University	-	(10)
Riding a Dream Academy	-	(24)
	<u>-</u>	<u>(34)</u>

People:

Racing Welfare	(78)	(204)
University of Liverpool	(20)	(39)
Thoroughbred Breeders Association	-	(70)
British Racing School	-	(62)
National Horseracing College	(10)	(165)
Writtle College	-	(28)
	<u>(108)</u>	<u>(568)</u>

Equine:

University of Bristol	-	(21)
Arabian Racing Organisation	-	(123)
Horse Welfare Board	(87)	(38)
British Thoroughbred Retraining Centre	-	(4)
	<u>(87)</u>	<u>(186)</u>

Environmental Sustainability:

British Horseracing Authority	-	(5)
	<u>-</u>	<u>(5)</u>

Adjustments to the current year grant expenditure in relation to prior year grants withdrawn

<u>68</u>	<u>-</u>
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Net grant expenditure

<u>1,820</u>	<u>6,718</u>
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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 2023

6. SUPPORT COSTS	Generating Funds £000s	Grant making £000s	Total £000s
Management & administration	29	262	291
Website, IT and communications	12	106	118
Travel and general office expenses	17	155	172
	<u>58</u>	<u>523</u>	<u>581</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 £3,910 (2022: £295) are included in charitable activities. Expenses were reimbursed to 5 trustees (2022: 2).

8. STAFF COSTS	2023 £000s	2022 £000s
Gross wages	239	210
Employer's national insurance contributions	22	21
Pension costs	21	21
Total staff costs	<u>282</u>	<u>252</u>

5 employees (average 4) were employed by the company during the year (2022: 4)

Key staff incurred total remuneration costs of £182k during the year (2022: £188k).

1 employee earned between £75-80k during the period (2022: 1 - £90-95k).

THE RACING FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

9. TANGIBLE FIXED ASSETS

	Office Equipment £000s	Total £000s
Cost		
At 1 January 2023	13	13
Additions	2	2
At 31 December 2023	<u>15</u>	<u>15</u>
Depreciation		
At 1 January 2023	13	13
Depreciation charge for the year	-	-
At 31 December 2023	<u>13</u>	<u>13</u>
Net book value		
At 31 December 2022	-	-
At 31 December 2023	<u>2</u>	<u>2</u>

10. FIXED ASSETS INVESTMENTS

	2023 £000s	2022 £000s
Carrying market value at the beginning of the year	72,996	94,448
Additions to investments at cost	32,418	17,387
Disposals at carrying value	(31,153)	(28,337)
Investment gains/(losses)	4,415	(10,502)
Carrying market value at end of year	<u>78,676</u>	<u>72,996</u>
Historical cost at end of year	<u>67,095</u>	<u>63,367</u>

Analysis of investments (at market value)	£000s	£000s
Listed investments:		
Fixed interest securities	5,270	7,849
Equity shares	62,154	49,006
Common investment funds, investment trusts & unit trusts	11,252	16,141
Carrying market value at end of year	<u>78,676</u>	<u>72,996</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:

£000s	£000s
-	-

THE RACING FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

11.	DEBTORS		2023 £000s	2022 £000s			
	Other debtors		7,951	200			
	Included within Other debtors is a balance of £6,146k (2022: £200k) falling due after more than 1 year.						
12.	CASH AT BANK		2023 £000s	2022 £000s			
	Cash on deposit with investment managers		1,468	2,822			
	Cash on bank deposit		656	10,449			
	Current account		181	5			
			2,305	13,276			
13.	CREDITORS: amounts falling due within one year		2023 £000s	2022 £000s			
	Grant commitments		2,990	3,262			
	Accruals and deferred income		69	128			
	Other taxation and social security		4	4			
			3,063	3,394			
14.	CREDITORS: amounts falling due after more than one year		2023 £000s	2022 £000s			
	Grant commitments		1,691	2,864			
15.	FUNDS ANALYSIS	Balance Brought Forward £000s	Incoming Resources £000s	Outgoing Resources £000s	Transfers £000s	Gains and Losses £000s	Balance Carried Forward £000s
	Unrestricted funds						
	General reserves	(9,794)	1,827	(2,420)	-	-	(10,387)
	Designated	12,142	-	-	-	587	12,729
		2,348	1,827	(2,420)	-	587	2,342
	Endowment funds						
	Expendable:						
	Tote Sale Proceeds	77,866	275	(131)	-	3,828	81,838
	Total funds	80,214	2,102	(2,551)	-	4,415	84,180

THE RACING FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

	2023	2022
	£000s	£000s

(a) Reconciliation of net income to net cash inflow from operating activities:

Net income	(449)	(3,783)
Adjustments:		
Items not involving the movement of funds:		
Depreciation charge	-	-
Investment income receivable	(2,081)	(1,909)
Changes in working capital:		
Increase in debtors	(7,751)	-
Decrease in creditors	(1,504)	(92)
Net cash outflow from operating activities	<u>(11,785)</u>	<u>(5,784)</u>

(b) Reconciliation of net cash flow to movement in net funds:

(Decrease)/Increase in cash in the year	<u>(10,971)</u>	<u>7,075</u>
Change in net funds	<u>(10,971)</u>	<u>7,075</u>

THE RACING FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

16. NOTES TO THE CASH FLOW STATEMENT (continued)

(c) Analysis of the change in net funds:

	1 Jan 2023 £000s	Cash flow £000s	31 Dec 2023 £000s
Net cash:			
Cash at bank and in hand	13,276	(10,971)	2,305
Change in net funds	13,276	(10,971)	2,305

17. TRANSACTIONS WITH RELATED PARTIES

Grants

During the year, grants with a net value of £25k (2022: £0) were awarded to the Jockey Club. Julia Budd was Chair and a Trustee of the Racing Foundation and Member of the Jockey Club during the year, Rishi Persad was a Trustee of the Racing Foundation and a Member of the Jockey Club during the year. At the year end the balance due to the Jockey Club was £0 (2022: £0).

During the year, no grants (2022: £274k) were awarded to Racing Welfare. The sole member of Racing Welfare is the Jockey Club. Julia Budd and Rishi Persad 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 £0 (2022: £274k).

During the year grants with a combined value of £36k (2022: £19k) were awarded to the British Racing School. Julia Budd was Chair and a Trustee of the Racing Foundation and Chair and a Trustee of the British Racing School during the year. At the year end the balance due to the British Racing School was £28k (2022: £0).

During the year, grants with a net value of £18k were awarded to Racing to School (2022: £19k) and £18.5k were awarded to Racing Together (2022: £38k), which is part of Racing to School. Susannah Gill was a Trustee of the Racing Foundation and an Ambassador for Racing to School during the year. At the year end the balance due to Racing to School was £18k and to Racing Together was £0 (2022: £0).

During the year grants with a combined value of £97.5k (2022: £0) were awarded to the National Horseracing College and a withdrawal of £10k was made against a previous year grant award. 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 £7.5k (2022: £0k).

During the year no grants (2022: £0) were awarded to the Diversity and Inclusion Steering Group. Susannah Gill was a Trustee of the Racing Foundation and a member 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 £0 (2022: £79k)

During the year no grants (2022: £0) were made to the Thoroughbred Breeders Association, no grants (2022: £0) to the National Trainers Federation, no grants (2022: £5k) to The Professional Jockeys Association and £35k (2022: £116k) to the National Association of Racing Staff. All these bodies are Members of the Thoroughbred 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 £144k (2022: £194k) and the National Association of Racing Staff was £35k (2022: £58k). During the year the National Trainers Federation paid back £11k as an underspend against a grant awarded in 2021.

During the year no grants (2022: £0) were made to the Racecourse Association. The Racecourse Association is one of the three Members of the Racing Foundation. At the year end the balance due to the Racecourse Association was £28k (2022: £28k).

During the year grants with a combined value of £284k (2022: £0) were made to the British Horseracing Authority, (BHA). The BHA is one of the three Members of the Racing Foundation. At the year end the balance due to the BHA was £237k (2022: £0).

THE RACING FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

Other payments

During the year, £1,255 was paid to Jockey Club Estates for room hire/facilities for a Racing Foundation event. Julia Budd was Chair and a Trustee of the Racing Foundation and Member of the Jockey Club during the year. Rishi Persad was a Trustee of the Racing Foundation and a Member of the Jockey Club during the year.

During the year, £2,513 was paid to the British Racing School for training courses for Racing Foundation staff; room hire and printing costs for Racing Foundation events. Julia Budd was Chair and a Trustee of the Racing Foundation and Chair and a Trustee of the British Racing School during the year.

During the year, £1,150 was paid to Racing to School as a bursary to subsidise the cost of tickets for small charities attending the Racing to School/Racing Together 'Industry Day' community engagement conference. Susannah Gill was a Trustee of the Racing Foundation and an Ambassador for Racing to School during the year.

During the year, £555 was paid to the Thoroughbred Breeders Association (TBA) to cover the expenses for guest speakers at the Racing Foundation conference. The TBA is a member of the Thoroughbred Group, which is one of the three Members of the Racing Foundation.

During the year, £330 was paid to the Racecourse Association to cover the expenses for guest speakers at the Racing Foundation conference. The Racecourse Association is one of the three Members of the Racing Foundation.

During the year, £359 was paid to the British Horseracing Authority, (BHA) to cover the expenses for guest speakers at the Racing Foundation conference. The BHA is one of the three Members of the Racing Foundation.

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 2022 £000's
Income and endowments from:				
Donations and legacies		1,750	-	1,750
Grants		4	-	4
Income from investments		1,909	-	1,909
Total income and endowments	3	3,663	-	3,663
Expenditure on:				
Raising funds:				
Investment management costs		-	(207)	(207)
Support costs		(45)	-	(45)
Charitable activities:				
Grant making		(7,194)	-	(7,194)
Total expenditure	4	(7,239)	(207)	(7,446)
Net gains/(losses) on investments		(1,397)	(9,105)	(10,502)
Net movement in funds		(4,973)	(9,312)	(14,285)

THE RACING FOUNDATION

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2023

19	Net income/(expenditure) for the year	2023	2022
		£000s	£000s
	This stated after charging:		
	Depreciation	-	-
	Auditors remuneration	18	18
		<hr/>	<hr/>
20.	Financial instruments	2023	2022
		£000s	£000s
	Financial assets:		
	Debt instruments measured at amortised cost	7,951	200
	Equity instruments measured at cost less impairment	78,676	72,996
		<hr/>	<hr/>
	Financial liabilities:		
	Measured at amortised cost	4,504	6,258
		<hr/>	<hr/>