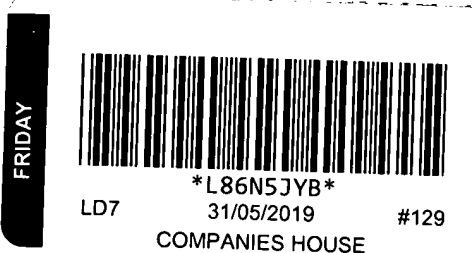


Company Registration No. 2596548 (England and Wales)  
Charity No. 1002705

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2018**



**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

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**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**LEGAL AND ADMINISTRATIVE INFORMATION**

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<b>Board of Trustees</b>	Mr J Greenwell CBE DL, Chairman  Dr D Bizley Mr B Cussons Dr S Hammerton (stepped down July 2018) Mr D Bayliss OBE Mr David Hobday Mr P Read (appointed April 2018)	
<b>Director</b>	Mr S Gooding CB	
<b>Registered office</b>	Royal Automobile Club Foundation for Motoring Limited 89-91 Pall Mall London SW1Y 5HS	
<b>Company registration number</b>	2596548	
<b>Charity number</b>	1002705	
<b>Independent Auditors</b>	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE	
<b>Bankers</b>	National Westminster Bank Plc 208 Piccadilly London W1A 2DG	
<b>Investment Advisors</b>	Barnett Waddingham Cheapside House 138 Cheapside London EC2V 6BW	
<b>Investment Managers</b>	Investec Wealth & Investment 2 Gresham Street London EC2V 7QP	Pictet Asset Management Moor House 120 London Wall London EC2Y 5ET

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**CHAIRMAN'S REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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I am pleased to report another successful year for the Foundation. The Foundation team continues, directly and through its commissions, to publish high-quality analysis and research material which informs the debate on motoring and road use, and to be invited as individuals to join conferences, working groups and panels charged with coming up with solutions.

Just to pick one topic area, in 2018 the Foundation published an authoritative report on expanding the chargepoint network to support the take-up of electric vehicles, joined the Mayor for London's chargepoint task force, joined the working groups feeding into the Government's Electric Vehicle Energy Taskforce, and continued to produce data on the sale of individual electric models.

As a Foundation we have not shied away from difficult and sometimes inconvenient issues. We were pleased to welcome Professor Frank Kelly from King's College London to our Public Policy Committee for what has become a regular series of updates on the air quality challenge and the implications for public health. Foundation input could also be found in a report co-sponsored with the Foundation for Integrated Transport which looked at the ways new housing development could lock in car dependency and lock out alternative options. And our Director served on the sounding board for the RAC Motoring Services' Annual Report on Motoring which highlighted some worrying trends in road safety, not least on drivers' attitudes to use of mobile phones.

I have been particularly pleased with the way that the Foundation's annual conference for users of transport data – the Data Driven event in the Royal Automobile Club's London Motor Week – has gone from strength to strength, not only as a showcase for the Foundation's work but also for bringing others' work to a wider audience. This event, and the Foundation's involvement in the Club's annual challenge to the design students at the Royal College of Art, are welcome evidence of a strong relationship between the Foundation and the Club.

As Trustees we know that the Foundation owes its ability to carry on its work to the generosity of the Royal Automobile Club, whose generous donation of an endowment in 1998 guarantees the Foundation's independence. 2018 has not been the kindest investment climate and I am grateful to my colleague Trustees Ben Cussons, David Bayliss, Peter Read and Stephen Hammerton for their work on our investment sub-committee to safeguard the Foundation's future financial security, and to Dave Hobday and David Bizley for their support on the main Board. Stephen Hammerton stood down as a Trustee in 2018 after many years of involvement with the Foundation and I would like to thank him for his contribution and wish him well for the future, whilst welcoming his successor, Peter Read, Chair of the Club's Motoring Committee to the fold.

I cannot let my report end without recognising the two substantial grants the Foundation secured during 2018, from the Department for Transport and the FIA, both relating to the interrogation of road collision data. As Trustees we are keeping a particularly close watch on the projects thus funded, and will continue to do so as they play out over the next two years. Projects such as these mark a new departure for the Foundation and stand as evidence that we will continue to seek ways to develop and evolve the work the Foundation does and the way it goes about it. Long may that be so.

J Greenwell CBE DL  
Chairman

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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The Trustees (who are directors for the purposes of Company law) are pleased to present their annual Trustees' report together with the financial statements of the RAC Foundation for the year ended 31 December 2018. The legal and administrative information on page 1 forms part of this report.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

**Objectives and activities**

The objective of the Foundation is to promote for the public benefit research into the environmental, economic, mobility and safety issues relating to the use of motor vehicles. In practice this means the Foundation seeks to illuminate, inform and influence the debate about roads and road use, taking the perspective of the responsible motorist, with a particular focus on affordable, safe and sustainable mobility.

**The Foundation's activities:**

- Researching/analysing – the Foundation commissions and disseminates research and analysis from a variety of experts in the academic and consultancy worlds; the staff of the Foundation also conduct research and analysis directly. Material is published on the Foundation's website alongside a limited run of hard-copy documents and disseminated through a variety of media. The annual research programme is reviewed by the Trustees for consistency with the Foundation's charitable purposes. In addition to disseminating the Foundation's own work, we also increasingly aim to help other relevant research material come to the notice of those developing transport policy;
- Commenting/reacting – the Foundation seeks to engage with the issues of the day, insofar as they relate to motoring and road use, in particular drawing on the back catalogue of Foundation research and the expertise and knowledge of Foundation staff to offer an informed perspective. This can involve briefing journalists and appearing in the media, including specialist journals, through to giving evidence e.g. to parliamentary committees; and
- Engaging/debating – the Foundation seeks to make contact and engage with a wide range of organisations active in the development of transport policy and the delivery of transport services at a national and a local level, including the Department for Transport, the Treasury, the Department for the Environment, Farming and Rural Affairs, the Ministry of Housing, Communities and Local Government, Highways England, and with professional bodies and associations such as the Association of Directors of Environment, Economy, Planning and Transport and the Chartered Institute of Highways and Transport. Foundation staff are encouraged to accept invitations to present material at conferences and workshops, join stakeholder groups and sounding boards, and to host and facilitate workshops.

Our ambition is to explore, inform and promote policies that will get people where they need to be, when they need to be there, in safety, affordably, with minimum environmental impact.

In reviewing our objectives and research programme the Trustees confirm that they have regard to the Charity Commission's guidance on public benefit and consider each year how the Foundation meets its public benefit objectives.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Achievements and performance**

2018 was a year marked not by awards but with what might reasonably be regarded as a 'vote of confidence', because in the Spring of 2018 we came to an agreement with the Department for Transport to receive a grant of £480,000 to develop the business case for improving road crash investigation. The sum was judged by the Department to be enough for us to enable, in turn, up to three police forces to partner with us and each to recruit a dedicated analyst to explore what could be learnt from information on closed cases stored in police files, but hitherto never shared more widely. The overall project goes further, developing new investigative protocols and harnessing the learning from other safety critical sectors, and will run until 2021. This has been a headline issue for the Foundation for some years and we are delighted to have been given the opportunity to prove our theory that lessons are being missed in the current architecture of road crash investigation.

The Department for Transport grant came hard on the heels of the news that we had successfully helped Imperial College secure €100,000 from the FIA for a project being shaped and run by a team at looking at innovative ways of sourcing accurate road crash location data, which we agreed to top up with £10,000 from the Foundation. Again, this is a project which will span reporting years, with the bulk of the activity coming in 2019.

We have been pleased to attract some notable speakers to Foundation sponsored events in 2018, with Roads Minister Jesse Norman speaking at the Young Driver Focus event in April, Dame Joan Bakewell being the opening speaker at a new Older Road User annual conference in the Autumn, National Infrastructure Commissioner Professor Sadie Morgan joining us for the annual Motoring Policy workshop at Woodcote Park in July and Royal Automobile Club President HRH Prince Michael of Kent attending as guest of honour at our Winter Reception at the end of the year.

Our contribution to the cost of the Foundation for Integrated Transport's work on transport for new homes brought us a seat on the steering group and, ultimately, a significant role in gaining media attention for the report published in July, which documented how poor design of new housing developments can severely limit their occupants' transport options. Meanwhile our in-house analysis on E10 fuel compatibility and proposals for an environmentally focused diesel car scrappage scheme shed light on key issues and informed policy development. And our seedcorn investment with the Road Safety Foundation to develop a better toolkit for devising measures to improve the safety of the riskiest 'A' roads led to a £100m grant programme funded by the Transport Department.

In December we published a follow-on report by Harold Dermott on the development of the UK public chargepoint network for electric vehicles. Harold had previously reported for us on best use of the powers in the, then, Autonomous and Electric Vehicles Bill, and we thought it would be interesting to return to the issue now that the Bill has become law. There is much information in the report but the main issue we were seeking to address was the widespread confusion about the compatibility of the vehicle with the chargepoint – in a nutshell the pace at which a vehicle can accept a charge is determined by the design of the vehicle, not just by the power of the chargepoint. This is an issue we have brought to the fore through our membership of the London Mayor's chargepoint taskforce and in the workstreams feeding into the national Electric Vehicle Energy Taskforce.

As the year ended we were pleased once again to be working with the Royal College of Art intelligent mobility students on the Royal Automobile Club's annual design challenge exploring how autonomous vehicle technology could provide independent mobility for an aging population. The students presented their designs at a reception attended by transport minister Nusrat Ghani and received awards from a judging panel chaired by vehicle design guru Gordon Murray. It is in illuminating such issues that we see the Foundation continuing to add real value to the debate on motoring.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Future plans**

In 2019 we will:

- Press on with our research commissions, in particular the Road Collision Investigation Project, exploring the opportunities and risks involved with partially autonomous vehicles, using virtual reality systems in driver training, and the issues in promoting the take-up of ultra-low emission cars;
- Continue to seek opportunities to use our ability to convene and host events to facilitate the wider dissemination of research findings, including research commissioned and undertaken by academics and other organisations – 2019 will see us hosting the Young Driver Conference in the Spring, the Motoring Policy Workshop in the Summer, the Older Road User Conference in the Autumn and the Data Driven analytics event in the Club's London Motor Week in November;
- Continue to explore and share new sources of data and new analytical approaches, in particular working with Highways England;
- Identify opportunities for joint working with other organisations to reach a broader audience, including professional institutions, member organisations and the higher education sector; and
- Invest in the professional development of the Foundation staff.

**Financial Review**

The work of the Foundation is very largely funded from the return achieved on the investment of the original charitable endowment gifted by the Royal Automobile Club in 1998. This covers the salaries of the Foundation's permanent staff, accommodation and office expenses, and provides a core budget for commissioned research and publications. The Foundation supplements this from time-to-time through joint working with other bodies and, in 2018, with grant funding from the Department for Transport and from the FIA, which in each case was designated for specific projects.

The Foundation does not raise money from the public or from its Trustees.

In the Statement of Financial Activities on page 13, income from half the investment portfolio is received in the form of dividends and interest £571,243 (2017 - £479,901). The rest of the investment portfolio is held in an accumulation fund where dividends etc. are reinvested. Cash withdrawn from this fund is realised through the disposal of units in the accumulation fund and is represented on the Statement of Financial Activities on page 13 as the transfer of £200,000 (2017 - £400,000) from the Expendable endowment to the Unrestricted reserves.

The net loss on investments in the year was £2,196,354 (2017 – gain of £1,869,534), contributing to a total net deficit movement of funds in the year of £2,076,744 (2017 – surplus of £1,496,949).

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Expendable endowment fund**

This represents the original donation in 1998 at the time the Foundation was established in its current corporate form, as adjusted for subsequent movements in investment values, investment management costs and any expenditure of the endowment. The fund can be retained as capital or disbursed at the Trustees' discretion for any purpose within the Foundation's objects, and at year-end 2018 was valued at £27,224,592, a fall of £2,298,674 over the year.

Taking one year with another the Trustees are content that the value of the expendable endowment is being satisfactorily maintained so as to ensure the long-term viability of the Foundation without the need to seek further charitable donations.

**Restricted income fund**

This represents fund given for particular purposes within the Foundation's objects and stands at £480,000 at the year end.

**Unrestricted income fund**

This represents accumulated unspent income and can be used at the Trustees' discretion for any purpose within the Foundation's objects and stands at £3,834,381 at year end.

**Reserves and Investment policy**

The Trustees' policy is to maintain in the long term the real value of the expendable endowment fund and also to generate sufficient income to cover proposed (budgeted) expenditure.

In 2017 the Trustees, on advice from the Investment Sub-Committee, re-invested the expendable endowment equally between two new investment managers: Pictet and Investec Wealth. The aim, in selecting new investment management, was to spread risk in an uncertain investment climate, and to adopt a modest increase in risk appetite in order to achieve a higher return, and thus fund increased Foundation activity.

Investment performance through 2018 has been turbulent, but not so much as to persuade the Trustees that they should authorise a lower operating budget for the Foundation for 2019, though performance will continue to be closely monitored as the global investment climate remains uncertain.

Rather than earmark a discrete reserve, the Trustees' continue to take the view that short term risks to the Foundation budget could be readily managed by authorising an exceptional drawdown from the expendable endowment. The Foundation's fund managers have confirmed that they regard this as a manageable approach, consistent with the Trustees' stated investment objectives.

The Investment Sub-Committee monitors the fund managers' investment performance through the year and reports to the full Trustee meeting which in turn reviews the value of the endowment and the spend profile of the Foundation budget at the regular Trustee meetings.

**Structure, governance and management**

**Governing document**

The Royal Automobile Club Foundation for Motoring Limited is a company limited by guarantee, governed by its Memorandum and Articles of Association, incorporated 28 March 1991 as amended 30 March 1999, 31 July 2000 and 27 January 2005. It is registered as a charity with the Charity Commission.



## **ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **Appointment of Trustees**

The Articles of Association prescribe that there shall be a minimum of five Trustees. The Trustees are then collectively responsible for the appointment and reappointment of trustees. Up to four trustee positions may be filled by nominees of the Royal Automobile Club (2) and RAC Motoring Services (2), subject to the approval of the Trustees. The Trustees may nominate one of their number to serve as Chair. The Trustees meet three times a year (April, July and November). While the Articles of Association allow for decisions to be taken on the basis of a majority vote in a quorate meeting, in practice all Trustees' decisions have been unanimous.

At their April 2018 meeting the Trustees voted to re-appoint David Bizley for a further 12-month term and to appoint Peter Read, Chair of the RAC Motoring Committee, as a trustee in place of Stephen Hammerton, who was standing down. At their November meeting the Trustees voted to re-appoint David Bayliss up to April 2020 and to appoint Ms Jo Baker from April 2019 when David Bizley would be standing down. The Trustees keep potential appointment of new trustees as a standing item on their agenda.

With the approval of the Trustees, as cleared with the Charity Commission, the Chairman receives £36,000 fees per annum for advisory services. Also with the approval of Trustees, David Bayliss undertakes remunerated research work for the Foundation, invoiced by the day at an agreed daily rate, totalling £12,600 in 2018.

The Foundation's pay policy for staff is approved as part of the annual budget setting process in November each year. The Trustees separately consider and decide the Director's remuneration and bonus entitlement.

The Investment Sub-Committee comprises Ben Cussons (Chair), David Bayliss and Peter Read, with the Foundation's director as secretary advised by Barnett Waddingham.

The Trustees are assisted in the discharge of their duties by a 'Public Policy Committee' (PPC) – comprising the Trustees and members who the Trustees have appointed in recognition of the perspectives and expertise they can offer on motoring and road policy. PPC members receive no remuneration. The PPC meets four times a year.

A system is in place to alert Trustees of the Foundation to their legal responsibilities and to ensure that they are eligible to act in such capacity. New Trustees are briefed on their roles as Trustees and asked to sign various pro-formas to draw their attention to their duty to comply with charity and company law and to act in the interests of the Foundation even when this may conflict with personal or other interests. Induction sessions are held to inform Trustees of the scope, objects and activities of the Foundation.

#### **Office administration**

The Foundation contracts with the Royal Automobile Club for the provision of office accommodation, IT support, payroll management and BACS. The Club also affords the Foundation the equivalent of corporate membership, through which the Foundation is able to book the Club's conference and catering facilities, which are then recharged at the Club's standard rates.

#### **Risk Management**

The Director refreshed the Foundation risk register periodically through 2018 and reported to the Trustees as part of the annual business planning process. The review highlights five key risks, and associated mitigations (accuracy of Foundation output; staff turnover; financial viability; interruption of service e.g. IT system failure; relevance of Foundation output). The review also confirmed the adequacy of processes in hand to mitigate the risk of fraud, which is assessed to be low.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Related parties and co-operation with other organisations**

The Foundation maintains a register of potential conflicts of interest of the Trustees. No funds were held as custodian trustee on behalf of others.

The Foundation has worked in partnership with various other bodies to run events during the year, including the BVRLA and the Department of Transport.

In recognition of the historical association between the Royal Automobile Club, the RAC Motoring Services Company and the Foundation, the three share the costs of an annual Winter Reception at the Club's Pall Mall premises. This event is an important part of the Foundation's outreach to the individuals and organisations who have worked with or for the Foundation over the course of the year. The Trustees do not consider either the Royal Automobile Club or the RAC Motoring Services business to constitute 'related parties' for accounting purposes.

**Trustees' Responsibilities Statement**

The Foundation Trustees (who are also the directors of the Royal Automobile Club Foundation for Motoring Limited for the purposes of company law) are responsible for preparing a Report of the Trustees and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year 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, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company 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.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**Statement as to disclosure to our auditors**

In so far as the Trustees are aware at the time of approving our Trustees' annual report:


- there is no relevant information of which the charitable company's auditor is unaware, and
- the Trustees have each taken all steps that they are obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditors**

A resolution to reappoint Saffery Champness LLP as auditors to the Foundation will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board of Trustees

  
.....  
J Greenwell CBE DL  
Chairman  
16 May 2019

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

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**Opinion**

We have audited the financial statements of Royal Automobile Club Foundation for Motoring Limited for the year ended 31 December 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 December 2018 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 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

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misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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

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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also 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 to do so.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

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**Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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.

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors 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.



.....  
Liz Hazell (Senior Statutory Auditor)  
For and on behalf of Saffery Champness LLP  
Chartered Accountants  
Statutory Auditors  
71 Queen Victoria Street  
London  
EC4V 4BE

Date: 24 May 2019

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

		Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2018 Total £	2017 Total £
	NOTE					
<b>Income from</b>						
Investments	2	571,243	-	-	571,243	479,901
Grants		-	523,023	-	523,023	20,000
Other		-	-	-	-	36,000
<b>Total Income</b>		571,243	523,023	-	1,094,266	535,901
<b>Expenditure on:</b>						
Raising funds		-	-	73,079	73,079	55,036
Charitable activities - Research into issues relating to roads and their users	3	858,554	43,023	-	901,577	853,450
<b>Total Expenditure</b>		858,554	43,023	73,079	974,656	908,486
Net (loss)/gain on investments	8	-	-	(2,196,354)	(2,196,354)	1,869,534
<b>Net (loss)/income for the year</b>		(287,311)	480,000	(2,269,433)	(2,076,744)	1,496,949
Transfers between funds	11	200,000	-	(200,000)	-	-
<b>Net movement in funds</b>		(87,311)	480,000	(2,469,433)	(2,076,744)	1,496,949
<b>Reconciliation of funds:</b>						
Brought forward 1 January		4,092,451	-	29,523,266	33,615,717	32,118,768
<b>Carried forward 31 December</b>		4,005,140	480,000	27,053,833	31,538,973	33,615,717

The Statement of Financial Activities includes all gains and losses recognised in the year.  
All incoming resources derive from continuing activities.

The notes on pages 16 to 23 form part of these financial statements.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**BALANCE SHEET  
31 DECEMBER 2018**

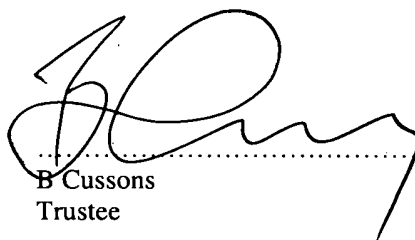
	Note	2018 £	2017 £
<b>Fixed Assets</b>			
Tangible fixed assets	7	7,882	14,327
Investments	8	<u>31,313,540</u>	<u>33,657,466</u>
		31,321,422	33,671,793
<b>Current Assets</b>			
Debtors	9	25,957	21,622
Cash at bank and in hand		<u>513,116</u>	<u>201,827</u>
		539,073	223,449
<b>Creditors:</b> Amounts falling due within one year	10	<u>(321,522)</u>	<u>(279,525)</u>
Net current assets/(liabilities)		217,551	(56,076)
<b>Net Assets</b>		<u>31,538,973</u>	<u>33,615,717</u>
<b>Funds</b>			
Restricted funds	12	480,000	-
Unrestricted funds	11	3,834,381	4,092,451
Expendable endowment funds	13	<u>27,224,592</u>	<u>29,523,266</u>
		<u>31,538,973</u>	<u>33,615,717</u>

These financial statements has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

The notes on pages 16 to 23 form part of these financial statements.

The financial statements were approved by the Trustees on 16 May 2019

  
.....  
J Greenwell CBE DL  
Chairman

  
.....  
B Cussons  
Trustee

Company Registration No. 2596548 (England and Wales)



**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>Note</b>	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
<b>Net cash used in operating activities (A)</b>	<b>(i)</b>	<b>(407,526)</b>	<b>(864,853)</b>
<b><u>Cash flows from investing activities</u></b>			
Purchases of tangible assets		-	(8,000)
Purchases of investments		(4,256,129)	(5,109,216)
Proceeds from disposal of investments		4,203,701	5,078,167
Investment income received		571,243	479,901
Withdrawal from endowment		200,000	400,000
<b>Net cash from investing activities (B)</b>		<b>718,815</b>	<b>840,852</b>
Net increase in cash & cash equivalents (A+B)		311,289	(24,001)
Cash and cash equivalents at the beginning of the year		201,827	225,828
<b>Cash and cash equivalents at end of the year</b>		<b>513,116</b>	<b>201,827</b>

**Notes to the cash flow statement**

<b>(i) Reconciliation of net movement in funds to net cash flow from operating activities</b>	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
Net movement in funds	(2,076,744)	1,496,949
Add back depreciation charge	6,445	4,279
Deduct investment income	(571,243)	(479,901)
Loss/(gain) on investments	2,196,354	(1,869,534)
(Increase)/decrease in debtors	(4,335)	1,471
Increase/(decrease) in creditors	41,997	(18,117)
<b>Net cash used in operating activities</b>	<b>(407,526)</b>	<b>(864,853)</b>

The notes on pages 16 to 23 form part of these financial statements.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1. Accounting convention**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

The Foundation constitutes a public benefit entity as defined by FRS 102.

The Foundation's operational and functional currency is pounds sterling.

The Trustees consider that there are no material uncertainties about the Foundation's ability to continue as a going concern.

**1.1. Income**

Investment income is accounted for on a receivable basis.

Grants are recognised when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably.

**1.2. Expenditure**

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of VAT which cannot be recovered. Costs of raising funds comprise those costs directly attributable to managing the investment portfolio and raising investment income. Other direct, support and governance costs are allocated to charitable activities as they are incurred.

**1.3. Tangible fixed assets and depreciation**

Items purchased are capitalised when they cost over £250 and have ongoing value to the Foundation.

Depreciation is provided at the following rates to write off the cost of each asset over its expected useful life:

Office equipment - 3 to 10 years

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1.4. Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Foundation does not acquire put options, derivatives or other complex financial instruments. The main form of financial risk faced by the Foundation is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

**1.5. Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**1.6. Funds**

*Expendable endowment fund (see note 13)*

This represents the original donation in 1998 at the time the Foundation was set up, as adjusted for subsequent movements in investment values, investment management costs and any expenditure of the endowment. This fund can be retained as capital or used at the Trustees' discretion for any purpose within the Foundation's objects.

*Unrestricted income fund*

This represents accumulated unspent income and can be used at the Trustees' discretion for any purpose within the Foundation's objects.

*Restricted income fund*

This represents grant income received for specific projects.

**1.7. Pensions**

Retirement benefits to employees are funded by contributions from both the Foundation and employees, administered through the Royal Automobile Club pension scheme; a multi-employer scheme. Contributions to the scheme are on a defined contribution basis, and are charged to the Statement of Financial Activities in the year in which they are incurred.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**1.8. Financial instruments**

The Foundation has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost. For debt instruments this is calculated using the effective interest rate method.

**1.9. Critical estimate and judgements and key sources of estimation uncertainty**

In the application of the Foundation's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The Trustees consider that there are no areas of estimation uncertainty, and no critical estimates were required to prepare the financial statements.

<b>2. Investment income</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Dividends receivable	570,759	479,875
Interest receivable	484	26
	<u>571,243</u>	<u>479,901</u>
<b>3. Charitable activities</b>	<b>Total</b>	<b>Total</b>
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Staff Costs	457,022	455,486
Direct Costs	190,423	147,011
Support Costs	247,982	244,803
Governance costs (note 4)	6,150	6,150
	<u>901,577</u>	<u>853,450</u>
<b>4. Governance costs</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Audit fees	6,150	6,150
Professional and legal fees	-	-
	<u>6,150</u>	<u>6,150</u>

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>5. Staff costs and advisor fees</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	391,652	389,222
Social security costs	44,423	44,976
Employer's pension costs	20,947	21,288
	<u>457,022</u>	<u>455,486</u>
Number of employees with total remuneration between:		
£60,000 - £69,999	1	1
£170,000 - £179,999	<u>1</u>	<u>1</u>

Contributions of £7,282 (2017: £7,508) were made to the group personal pension scheme on behalf of the highest paid employees.

The following trustees have been paid these amounts in respect of specialist advisor fees:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
David Bayliss	12,600	12,600
Joe Greenwell	36,000	36,000

At 31 December 2018 there was £18,000 owing to Joe Greenwell in respect of the above (2017: £18,000).

No expenses were either reimbursed to, or paid directly on behalf of Trustees during the year (2017: no expenses).

The key management personnel of the Foundation comprise the Trustees and the Director. The total employment benefits of the key management personnel, including any relevant pension contributions, but excluding payments made to specialist advisors noted above, were £197,025 (2017: £192,403).

**Staff numbers**

The average number of full-time equivalent employees during the year was made up as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Director	1	1
Campaigns and research	5	5
	<u>6</u>	<u>6</u>

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>6. Net movement in funds for the year</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation	6,445	4,279
Auditors' remuneration - for audit	<u>6,150</u>	<u>6,150</u>
<b>7. Tangible fixed assets</b>		<b>Office equipment</b>
		<b>£</b>
<b>Cost</b>		
Brought forward 1 January 2018		33,698
Additions		-
Eliminations		-
Carried forward 31 December 2018		<u>33,698</u>
<b>Depreciation</b>		
Brought forward 1 January 2018		19,371
Charge for year		6,445
Eliminations		-
Carried forward 31 December 2018		<u>25,816</u>
<b>Net book value</b>		
as at 31 December 2018		<u>7,882</u>
as at 31 December 2017		<u>14,327</u>
<b>8. Investments</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Managed and unitised funds</b>		
Market value at 1 January	33,657,466	32,156,883
Additions at cost	4,256,129	5,109,216
Disposals	(4,203,701)	(5,078,167)
Investment (loss)/gains	(2,196,354)	1,869,534
Withdrawal from endowment portfolio	<u>(200,000)</u>	<u>(400,000)</u>
Market value at 31 December	<u>31,313,540</u>	<u>33,657,466</u>
Historical cost	<u>30,812,338</u>	<u>30,872,870</u>

All investments are carried at their fair value. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Included within investment (loss)/gains are Pictet Asset Management's management fees. For 2018 these amounted to £120,654.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>9. Debtors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Interest and dividends receivable	10,843	7,290
Prepayments	15,114	14,332
	<u>25,957</u>	<u>21,622</u>
<b>10. Creditors</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Accruals	321,522	279,525
	<u>321,522</u>	<u>279,525</u>
<b>11. Unrestricted funds</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Balance at 1 January	4,092,451	4,010,000
Net expenditure for the year	(287,311)	(317,549)
Transfer from expendable endowment fund	200,000	400,000
Balance at 31 December	<u>4,005,140</u>	<u>4,092,451</u>

The transfer from the expendable endowment funds represents monies drawn down from an accumulating investment fund held as part of the Foundation's investment portfolio.

<b>12. Restricted Funds</b>	<b>Opening</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfer</b>	<b>Closing</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Department for Transport	-	480,000	-	-	480,000
Federation Internationale de l'Automobile	-	43,023	(43,023)	-	-
	<u>-</u>	<u>523,023</u>	<u>(43,023)</u>	<u>-</u>	<u>480,000</u>

The Department of Transport fund represents money received from the Department in order to explore the business case for improving the investigation of road crashes, in particular working with volunteer police forces to revisit the material available in police records.

The Federation Internationale de l'Automobile Fund represents money received from the FIA in order to support a project led by Imperial College to explore the extent to which non-traditional sources could be used to map actual and high-risk road crash locations accurately and devise improved strategies for responding to them.

There were no restricted funds in 2017.

**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

<b>13. Expendable endowment funds</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Balance at 1 January	29,523,266	28,108,768
Net income for the year	(2,269,433)	1,814,498
Transfer to unrestricted funds (see note 11)	(200,000)	(400,000)
Balance at 31 December	<u>27,053,833</u>	<u>29,523,266</u>

<b>14. Analysis of net assets between funds</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total</b>
<b>2018</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	7,882	-	-	7,882
Investments	4,259,707	-	27,053,833	31,313,540
Current assets	59,073	480,000	-	539,073
Liabilities	(321,522)	-	-	(321,522)
Balance at 31 December 2018	<u>4,004,960</u>	<u>480,000</u>	<u>27,053,833</u>	<u>31,538,973</u>
<b>2017</b>	<b>Unrestricted funds</b>	<b>Endowment funds</b>	<b>Total</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	
Tangible fixed assets	6,327	-	6,327	
Investments	4,134,200	29,523,266	33,657,466	
Current assets	223,449	-	223,449	
Liabilities	(279,525)	-	(279,525)	
Balance at 31 December 2017	<u>4,092,451</u>	<u>29,523,266</u>	<u>33,615,717</u>	

**15. Related parties**

There were no related party transactions except those transactions with the Trustees in note 5 above.

**16. Limitation of liability**

Every member (being the Trustees of the Foundation) guarantees £1 in the event of the Foundation being wound up while they are a member and for the year after they cease to be a member.



**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED  
(BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**17. Comparative statement of financial activities**

	<b>Unrestricted Funds £</b>	<b>Expendable Endowment £</b>	<b>2017 Total £</b>
<b>Income from</b>			
Investments	479,901	-	479,901
Grants	20,000	-	20,000
Other	36,000	-	36,000
<b>Total Income</b>	<b>535,901</b>	<b>-</b>	<b>535,901</b>
<b>Expenditure on:</b>			
Raising funds	-	55,036	55,036
Charitable activities			
- Research into issues relating to roads and their users	853,450	-	853,450
<b>Total Expenditure</b>	<b>853,450</b>	<b>55,036</b>	<b>908,486</b>
Net gains on investments	-	1,869,534	1,869,534
<b>Net (loss)/income for the year</b>	<b>(317,549)</b>	<b>1,814,498</b>	<b>1,496,949</b>
Transfers between funds	400,000	(400,000)	-
<b>Net movement in funds</b>	<b>82,451</b>	<b>1,414,498</b>	<b>1,496,949</b>