

Charity Registration No. 1084042  
Company Registration No. 4116279

**Deloitte  
& Touche**

**RACING WELFARE**  
(A company limited by guarantee)

**Consolidated Report and Financial Statements**

**31 December 2001**

Deloitte & Touche  
Leda House  
Station Road  
Cambridge CB1 2RN

AC03rac3  
( - 16/04/02)



**REPORT AND FINANCIAL STATEMENTS 2001**

<b>CONTENTS</b>	<b>Page</b>
Officers and professional advisers	1
Trustees' report	2
Independent auditors' report	8
Consolidated statement of financial activities	9
Charity statement of financial activities	10
Consolidated and Charity Balance sheets	11
Consolidated cash flow statement	12
Notes to the accounts	13

**REPORT AND FINANCIAL STATEMENTS 2001**

**OFFICERS AND PROFESSIONAL ADVISERS**

**TRUSTEES AND DIRECTORS**

Nigel Elwes FCA (Chairman)	(appointed 28 November 2000)
Nigel Clark JP DL	(appointed 28 November 2000)
Sir Stanley Clarke CBE	(appointed 25 January 2001)
Mark Davies	(appointed 28 November 2000)
John Dunlop OBE	(appointed 28 November 2000)
Christopher Foster FCA	(appointed 28 November 2000)
Christopher Hall TD DL	(appointed 28 November 2000)
Judith Lancaster	(appointed 28 November 2000)
Gary Middlebrook	(appointed 10 July 2001)
Brough Scott	(appointed 28 November 2000)
Patricia Thompson	(appointed 28 November 2000)
Roger Weatherby	(appointed 10 July 2001)

**CHIEF EXECUTIVE**

Sir John Kemball KCB CBE DL (appointed 28 November 2000)

**COMPANY SECRETARY**

Sir John Kemball KCB CBE DL (appointed 28 November 2000)

**LEGAL STATUS**

Racing Welfare is a company limited by guarantee incorporated on 28 November 2000.  
It is governed by a trust deed dated 28 November 2000.

**REGISTERED OFFICE**

20B Park Lane  
Newmarket  
Suffolk CB8 8QD

**SOLICITORS**

Charles Russell	Edmondson Hall
8-10 Fetter Lane	25 Exeter Road
London EC4A 1RS	Newmarket
	Suffolk CB8 8AR

**BANKERS**

Barclays Bank Plc  
Newmarket Business Centre  
58 High Street  
Newmarket  
Suffolk CB8 8NH

**INVESTMENT ADVISERS**

Newton Investment Management Limited  
71 Queen Victoria Street  
London EC4V 4DR

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Leda House  
Station Road  
Cambridge CB1 2RN

## **TRUSTEES' REPORT**

The charity trustees, who are also directors for the purposes of the Companies Act, submit their annual report and the audited financial statements for the period from incorporation on 28 November 2000 to 31 December 2001. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the charity.

The charity is a charitable company limited by guarantee and was set up on 28 November 2000. It is governed by a Memorandum and Articles of Association which were issued on 28 November 2000 and these have not been amended. Its objects are:

1. to relieve poverty, sickness and injury among persons employed or formerly employed or otherwise engaged or formerly engaged in or in connection with the horseracing and Thoroughbred breeding industry and their dependants ("the beneficiaries");
2. the advancement of education among any of the beneficiaries who are in need;
3. provision of facilities for recreation or other leisure time occupation in the interests of social welfare, primarily for the benefit of beneficiaries having need of such facilities by reason of youth or infirmity or disablement, as specified in paragraph (b) of subsection (2) of section (1) of the Recreation Charities Act 1958;
4. the advancement of education for the public benefit by the promotion of research into and of public awareness of methods of prevention and treatment of sickness among and of injuries sustained by jockeys, stable staff, apprentices and others licensed by The Jockey Club while riding or attending horses and by persons attending horse races or Thoroughbred breeding establishments and by publication of the useful results thereof.

The charity has adopted as a Mission Statement:

Racing Welfare's role is to help anyone including their dependants who is working or has worked in the horseracing or Thoroughbred breeding industry and is in need, through accident, illness, age or misfortune. This support can take the form of:

- ❖ Practical help
- ❖ Advice
- ❖ Financial assistance
- ❖ Education

In addition, sports and leisure facilities are provided as well as accommodation for mainly the retired, elderly and infirm.

## **REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS**

The statement of financial activities for the year is set out on page 10 of the financial statements. A summary of the work of the charity and its financial results is set out below.

### **Amalgamation**

The charity was formed by the amalgamation of the Racing Welfare Charities, the Stable Lads Welfare Trust and the Jockey Club Charitable Trust. This amalgamation was effected on 1 January 2001 and the charity commenced operation from that date. Racing Welfare also became the sole shareholder of Racing Welfare (Enterprises) Limited on 1 January 2001. Further rationalisation of the organisation occurred on 9 July 2001 with Racing Welfare becoming the trustee of the Rous Charity and the Bentinck, Beresford and Rendlesham Charity. Progress is being made towards the charity becoming the sole trustee of the residual Stable Lads Welfare Trust. A further associated organisation is the Stable Lads Welfare Trust Housing Association.

The operations being carried out by the amalgamated charity were a collection of separate programmes inherited from the predecessor charities. At their meeting on 10 July 2001, the trustees considered the services being provided and the charity's financial strength. As a result of this they agreed to a 15% increase in direct charitable expenditure and an expansion of selected elements of the programme to provide a better balance to the service.

## **TRUSTEES' REPORT**

### **REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS (continued)**

#### **Amalgamation (continued)**

While the charity's investments have been adversely affected by stock market conditions, this has been more than offset by a very large legacy of nearly £900,000 from Sir Robin McAlpine's estate and also by a number of other large donations. It was decided not to anticipate future amounts for donations and legacies but to set a deficit budget which could, if insufficient funds were received during the year, be balanced by a capital drawdown of some £65,000 per annum thus utilising the recent large receipts in a gradual manner. The main decisions on expenditure policy were as follows:

- a) **Administrative costs** - no change was anticipated in the charity's administrative costs and therefore these were expected to remain at around £25,000 (2.6% of expenditure).
- b) **Housing** - the board felt there would be no demand for additional housing for retired staff for the foreseeable future. It was agreed that, while the charity should facilitate the provision of further working staff accommodation, this should not involve significant expenditure. The help provided would consist of background knowledge and administrative effort.
- c) **Welfare Officers** - the charity would recruit a further welfare officer to be based in the Cheltenham area and to work for a projected 20 hours per week.
- d) **Quarterly Beneficiaries** - the quarterly beneficiaries' list should be expanded. This would need close control because, once put on the list, it was extremely difficult for beneficiaries to be removed. It was agreed that the ceiling for consideration should be raised and it was proposed that this now should be £175 pw income for a single person and £225 pw for a couple. The intention was that the list should increase gradually by up to 15 beneficiaries.
- e) **Short Term Beneficiaries** - there was not expected to be any change in the payment to short term beneficiaries or their number.
- f) **Sports and Leisure Scheme** - this was anticipated to grow by some 5% per annum and this was considered a reasonable step increase, due to the new agreement with the New Astley Club, where sports and leisure facilities run by Suffolk County Council, would be provided through the Club with Racing Welfare meeting the costs.
- g) **Sports** - it was agreed that the sports expenditure should remain similar to that in 2001.
- h) **New Astley Club** - support for the New Astley Club at £30,000 per annum would continue at the same level and would be reconsidered each year.
- i) **Holiday Scheme** - the holiday scheme was considered to have been a success in 2001 and it was agreed that it should be continued and expanded, particularly to provide comfortable holidays in the UK for those unable to travel abroad. This expansion would double the money spent in 2001, that is an increase of £15,000.
- j) **Stud and Stable Staff Newsletter** - the cost of the newsletter would remain the same at £20,000 per annum. However, there was hope that we would be able to find a sponsor or group of sponsors.
- k) **Project Centaur** - Project Centaur is a programme for providing social development courses at the British Racing School and is included as part of the courses run for stud workers by the National Stud. The Northern Racing College was considering how such training could be incorporated into their programme. However the directors felt that this training should not be financed by Racing Welfare indefinitely but should become an intrinsic part of the core funding of the training.
- l) **Donations to Other Charities** - the donations to other charities were not anticipated to increase and therefore the budget would stay at around £15,000 per annum. The significant other charities supported are those that provided help to our beneficiaries, such as Citizens Advice Bureaus, the Ormiston Trust and other specialised support groups.
- m) **Jockey Club Medical Projects** - the Jockey Club medical projects would continue to be supported and the charity would contribute an additional £5,000 to the budget provided this was matched from other sources of funding.

## **TRUSTEES' REPORT**

### **REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS (continued)**

#### **Amalgamation (continued)**

- n) **Outings** - the day outings for retired beneficiaries from the various centres would continue as before and this was anticipated to provide 3 or 4 outings from each centre, at a cost of about £500 for a coach for a day.
- o) **Health** - it was agreed to provide support for health treatment for beneficiaries. This would be in two separate budgets, the first being for physiotherapy, which would provide immediate treatment for those that could not obtain such help on the NHS. This would have a budget of £7,500. Secondly, surgery would also be considered justified expenditure to help beneficiaries with a chronic condition. The budget for this was set at £50,000. The intent to help in particular those where there was a second concern other than just quality of life, for example the early return of a wage earner to remunerated employment to the benefit of the family finances and cohesion.
- p) **Pastoral Care** - the charity should continue providing support for SCORE's Chaplaincy to the horseracing industry.
- q) **Charity Profile** - to introduce a marketing programme for the charity to make its services better known throughout the industry.

The overall result of this review and the decisions taken was that the planned expenditure for the charity would be increased from £800,000 per annum to £954,000 per annum.

### **INCOME GENERATION**

The charity's income was £2,452,000 and the charity thanks all its supporters for their generosity and work.

### **INVESTMENT POLICY AND RETURN**

Following a number of years of investment returns lagging behind the market average, the trustees selected a new investment manager, Newton Investment Management Limited, and they were appointed from 1 August 2001. The investment managers are tasked to achieve a balance between income and capital growth, against a performance Benchmark of the World Market Unconstrained Charity Universal Total Return Index and the trustees review their performance every 6 months. As permitted by the charity's memorandum and articles of association the trustees have given the investment managers the discretion to manage the portfolio within a moderate risk profile.

### **FUNDRAISING**

Fundraising costs were £358,000 and income was £1,856,000. It was decided by the trustees to continue with the same policy for the time being, and the cost of fundraising events was considered to be justified by the return. However, the new fundraising manager was tasked to endeavour to widen the support base and to generate more income from small donations with wider public participation.

### **RESOURCES EXPENDED AND SERVICES**

The charity makes regular grants to retired racing staff and their families whose income falls below the limits outlined above. In addition, the charity makes one off payments to those who temporarily find themselves in need of financial assistance. Grants given to individuals in the year totalled £290,000.

The charity's employees, located in geographical areas where racing yards are most concentrated, provided advice and financial and pastoral assistance. The costs of employing the charity's welfare officers and their related office costs in 2001 were £168,000.

The charity also supports schemes for the provision of sports and social facilities for working and retired staff and their families (£85,000) and funds medical research with a view to the prevention of injuries amongst working staff (£7,000).

The costs of providing housing for retired and working staff totalled £119,000.

## **TRUSTEES' REPORT**

### **RACING WELFARE (ENTERPRISES) LIMITED**

The charity's wholly owned trading subsidiary carried out non-charitable trading activities for the charity. During the year, the trading company's activities were limited to operations producing turnover of £11,000. The company had retained profits for the year of £285 and gifted £1,000 to Racing Welfare.

### **BENTINCK, BERESFORD AND RENDLESHAM CHARITY**

On 9 July 2001 (effective from 1 January 2001) the charity became sole trustee of the Bentinck, Beresford and Rendlesham charity whose net income, comprising income from investments less charges for investment managers, is paid to Racing Welfare. The charity made a net deficit for the year of £255,955 mainly as result of a loss of £252,818 on investments and made grants of £55,258 to Racing Welfare.

### **ROUS CHARITY**

On 9 July 2001 (effective from 1 January 2001) the charity became the sole trustee of the Rous Charity. The income from the Rous Charity derives from investment income and rents received from the letting of 14 properties to retired racing staff and their dependants. The charity made a net deficit for the year of £19,531.

### **RESERVES LEVEL AND POLICY**

The trustees have taken the view that to ensure efficient operation with a fluctuating income stream, the charity needs to hold a cash reserve equivalent to 6 months' expenditure.

General reserves exclude restricted funds and designated funds. The trustees considered that due to the erratic and unreliable nature of income from donations, legacies and fundraising events, the charity needs to establish an income from investments equal to its long term commitments. These are comprised of the salary for permanent staff and the annual donations to permanent beneficiaries. Together these total £500k. To generate this income would require income funds of some £14m. This is significantly more than the current income fund of £7m. Thus the board feels the charity has insufficient income funds and therefore no free reserves.

In the short term the policy is to raise sufficient income from donations, legacies and fundraising events to make good the shortfall in income from investments and to enable some funds to be retained each year until the cash reserve can be met from unrestricted free funds.

Designated funds comprise: the renewals fund for the repair of the housing properties; the income fund and the fixed asset fund which could only be realised by disposing of fixed assets held for charitable use.

Restricted funds have decreased from £179,000 to £141,000. Expenditure in the year included grants to individuals, other charities and contributions to welfare improvements.

### **CHANGES IN FIXED ASSETS**

The movement in fixed assets during the year are set out in notes 14 to 16 to the financial statements.

## **TRUSTEES' REPORT**

### **GOVERNANCE AND INTERNAL CONTROL**

The Jockey Club is the sole member of the company. The board consists of 9 to 12 persons, one third of the board retire by rotation each year. The member appoints directors solely on the recommendation of the board.

The board are charged to use their best endeavours to ensure the composition of the board at any time represents skill, knowledge and experience of activities within horseracing, training and breeding.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- An expenditure policy and an annual budget both approved by the trustees.
- Quarterly consideration by the trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews.
- Monthly consideration of the cash balances by the chairman.
- Approved delegation of defined authority and segregation of duties.
- Identification and management of risks.

The trustees have, with advice from their auditors, introduced a formal risk management process to assess business risks and implement risk management strategies. This involved identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the trustees have reviewed the adequacy of the charity's internal control. The trustees are pleased to report that the charity's internal financial controls, in particular, conform with guidelines issued by the Charity Commission.

In addition, the trustees have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although this is not mandatory for the charity it should, as a public interest body, adopt these guidelines as best practice. Accordingly they have:

Set policies on internal controls which cover the following:

- Consideration of the type of risks the charity faces.
- The level of risks which they regard as acceptable.
- The likelihood of the risks concerned materialising.
- The charity's ability to reduce the incidence and impact on the business of risk that do materialise.
- The costs of operating particular controls relative to the benefit obtained.
- Clarified the responsibility of management to implement the trustees' policy and identify and to evaluate risks for their consideration.
- Communicated that employees have responsibility for internal control as part of their accountability for achieving objectives.
- Embedded the control system in the charity's operations so that it becomes part of the culture of the charity.
- Developed systems to respond quickly to evolving risks arising from factors within the charity and to changes in the external environment.
- Included procedures for reporting failings immediately to appropriate levels of management and the trustees together with details of corrective action being undertaken.

The trustees have considered the need for a specific internal audit function and have decided not to appoint an internal auditor.



## **TRUSTEES' REPORT**

### **EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED**

Employees have been consulted on issues of concern to them by means of half-yearly Welfare Officers and monthly staff meetings, and have been kept informed on specific matters directly by management. The charity carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and trustees.

The charity has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Disciplinary rules and procedures and grievance procedures.
- Equal opportunities policy.
- Health and safety policy

In accordance with the charity's equal opportunities policy, the charity has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the charity's offices.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

Law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the incoming resources and application of the resources of the charity during the year and of its state of affairs at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

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

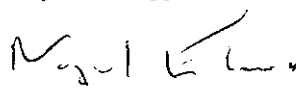
The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to ensure that the financial statements comply with the Charities Act 1993, the Charities (Accounts and Reports) Regulations 2000 and the Trust Deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The charity is operating efficiently and effectively.
- Its assets are safeguarded against unauthorised use or disposition.
- Proper records are maintained and financial information used within the charity for publication is reliable.
- The charity complies with relevant laws and regulations.

### **AUDITORS**

Deloitte & Touche were appointed as auditors during the period and have expressed their willingness to continue in office. This will be considered at the forthcoming Annual General Meeting.

This report was approved by the Board on **25 Apr 2002**

  
Chairman



**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
RACING WELFARE  
(A company limited by guarantee)**

We have audited the financial statements of Racing Welfare for the period from 28 November 2000 to 31 December 2001 which comprise the statements of financial activities, the balance sheets, the cash flow statement and the related notes 1 to 29. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of trustees and auditors**

As described in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purposes of company law, are responsible for the preparation of the financial statements which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the trustees' report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company and other members of the group is not disclosed.

We read the trustees' report and other information contained within the annual report as described in the contents section for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the charitable company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of affairs of the charitable company and the group as at 31 December 2001 and of its incoming resources and application of resources including its income and expenditure, in the period 28 November 2000 to 31 December 2001 and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and  
Registered Auditors

9 May 2002

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
Period from 28 November 2000 to 31 December 2001

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
<b>INCOMING RESOURCES</b>				
Donations and gifts	5	427	92	519
Legacies	6	818	-	818
Activities in furtherance of the charity's objects:				
Grants		38	-	38
Rental income		185	-	185
Sport income		20	-	20
Activities for generating funds:				
Fundraising income		462	58	520
Investment income	7	369	-	369
Merchandising income		3	-	3
Other income		19	-	19
Funds transferred from other charities	8	10,769	1,474	12,243
<b>TOTAL INCOMING RESOURCES</b>		<b>13,110</b>	<b>1,624</b>	<b>14,734</b>
<b>RESOURCES EXPENDED</b>				
<b>Cost of generating funds:</b>				
Fundraising costs		358	-	358
Merchandising costs		3	-	3
Investment management fees		20	-	20
		<b>381</b>	<b>-</b>	<b>381</b>
<b>Charitable expenditure:</b>				
Costs of activities in furtherance of the charity's objects:				
Grants	9	279	118	397
Sport and leisure		85	-	85
Costs of housing		148	-	148
Support costs		253	15	268
Management costs		15	-	15
		<b>780</b>	<b>133</b>	<b>913</b>
<b>TOTAL RESOURCES EXPENDED</b>	<b>10</b>	<b>1,161</b>	<b>133</b>	<b>1,294</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>		<b>11,949</b>	<b>1,491</b>	<b>13,440</b>
Transfers between funds	22	46	(46)	-
<b>NET INCOMING RESOURCES (RESOURCES EXPENDED)</b>		<b>11,995</b>	<b>1,445</b>	<b>13,440</b>
Net losses on investment assets	22	(900)	(189)	(1,089)
<b>Balances carried forward 31 December 2001</b>	<b>22</b>	<b>11,095</b>	<b>1,256</b>	<b>12,351</b>

All of the above results are derived from continuing activities. All gains and losses recognised in the period are included above. The surplus for the period for Companies Act purposes comprises the net incoming resources for the period less realised losses on investments and was £800,000.

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES**  
Period from 28 November 2000 to 31 December 2001

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total Funds £'000
<b>INCOMING RESOURCES</b>				
Donations and gifts	5	427	91	518
Legacies	6	818	-	818
Activities in furtherance of the charity's objects:				
Grants		93	-	93
Rental income		153	-	153
Sport income		20	-	20
Activities for generating funds:				
Fundraising income		462	58	520
Investment income	7	309	-	309
Other income		21	-	21
Funds transferred from other charities	8	9,744	179	9,923
<b>TOTAL INCOMING RESOURCES</b>		<b>12,047</b>	<b>328</b>	<b>12,375</b>
<b>RESOURCES EXPENDED</b>				
<b>Cost of generating funds:</b>				
Fundraising costs		358	-	358
Investment management fees		17	-	17
		<b>375</b>	<b>-</b>	<b>375</b>
<b>Charitable expenditure:</b>				
Costs of activities in furtherance of the charity's objects:				
Grants	9	278	133	411
Sport and leisure		85	-	85
Costs of housing		119	-	119
Support costs		251	15	266
Management costs		13	-	13
		<b>746</b>	<b>148</b>	<b>894</b>
<b>TOTAL RESOURCES EXPENDED</b>	<b>10</b>	<b>1,121</b>	<b>148</b>	<b>1,269</b>
<b>NET INCOMING RESOURCES BEFORE TRANSFERS</b>				
		10,926	180	11,106
Transfers between funds	22	39	(39)	-
<b>NET INCOMING RESOURCES (RESOURCES EXPENDED)</b>		<b>10,965</b>	<b>141</b>	<b>11,106</b>
Net losses on investment assets	22	(800)	-	(800)
<b>Balances carried forward 31 December 2001</b>	<b>22</b>	<b>10,165</b>	<b>141</b>	<b>10,306</b>

All of the above results are derived from continuing activities. All gains and losses recognised in the period are included above. The surplus for the period for Companies Act purposes comprises the net incoming resources for the period less realised losses on investments and was £662,000.

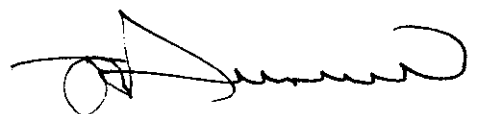
**CONSOLIDATED AND CHARITY BALANCE SHEET**  
**31 December 2001**

	Note	Group £'000	Charity £'000
<b>FIXED ASSETS</b>			
Intangible fixed assets	14	196	196
Tangible fixed assets for use by the charity	15	2,176	1,844
Investments	16	8,674	7,122
		<u>11,046</u>	<u>9,162</u>
<b>CURRENT ASSETS</b>			
Debtors	17	220	214
Short term deposits	18	1,598	1,455
Cash at bank and in hand	19	47	44
		<u>1,865</u>	<u>1,713</u>
<b>CREDITORS: amounts falling due within one year</b>	20	<u>(116)</u>	<u>(125)</u>
<b>NET CURRENT ASSETS</b>		<u>1,749</u>	<u>1,588</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		12,795	10,750
<b>CREDITORS: amounts falling due after more than one year</b>	21	<u>(444)</u>	<u>(444)</u>
<b>NET ASSETS</b>		<u>12,351</u>	<u>10,306</u>
<b>FUNDS</b>			
Unrestricted Funds:			
General Fund	22	1,880	1,192
Designated Funds	22	9,215	8,973
		<u>11,095</u>	<u>10,165</u>
Restricted Funds	22	<u>1,256</u>	<u>141</u>
<b>TOTAL FUNDS</b>		<u>12,351</u>	<u>10,306</u>

Approved by the Board of Trustees on **25 April 2002** and signed on its behalf by



Trustee



**CONSOLIDATED CASH FLOW STATEMENT**  
Period from 28 November 2000 to 31 December 2001

	Note	£'000
Net cash inflow from operating activities	25	1,138
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets		(34)
Purchase of investments		(7,362)
Proceeds from sales of investments		5,008
		(2,388)
Net cash outflow before increase in liquid resources		(1,250)
Management of liquid resources		
Decrease in short term deposits		1,165
Decrease in cash in the period	25	(85)

**STATEMENT OF CHANGES IN RESOURCES APPLIED FOR FIXED ASSETS  
FOR CHARITY USE**  
Period from 28 November 2000 to 31 December 2001

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Net movement in funds for the period	1,121	17	1,138
Resources used for net acquisitions of tangible fixed assets	(24)	(10)	(34)
Net movement in funds available for future activities	1,097	7	1,104

## **NOTES TO THE ACCOUNTS**

**Period from 28 November 2000 to 31 December 2001**

### **1. ACCOUNTING POLICIES**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" published in October 2000 and with applicable accounting standards.

The statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity, its subsidiary undertaking and charities of which it has control. The results of the subsidiary are consolidated on a line by line basis.

The charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

#### **Company status**

The charity is a company limited by guarantee. The sole member of the company is the Jockey Club. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

#### **Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund.

Investment income and gains are allocated to the appropriate fund.

#### **Incoming resources**

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received.

Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost.

#### **Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Premises overheads have been allocated on the basis of function.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity. Management and administration costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

The consolidated financial statements incorporate the financial statements of the company and all its subsidiaries and charities under its control.

**NOTES TO THE ACCOUNTS**

Period from 28 November 2000 to 31 December 2001

**1. ACCOUNTING POLICIES (continued)**

**Tangible fixed assets and depreciation**

Tangible fixed assets costing more than £250 are capitalised and included at cost including any incidental expenses of acquisition.

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:

Freehold land	nil
Freehold and long leasehold buildings	over 50 years
Project and office equipment	over 3 to 4 years

**Investments**

Investments in subsidiaries are stated at cost. Investments listed at the stock exchange are stated at market value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year

**Intangible fixed assets**

Nomination rights cover the right to nominate 6 residents to Childwick House and are depreciated in equal amounts over a period of 125 years. They are stated at net book value less provision for impairment.

**Leases**

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

**Pension costs**

The cost of providing pension and related benefits is charged to the SOFA over the employees' service lives on the basis of a constant percentage of earnings which is an estimate of the regular cost.

**2. REGISTRATION**

The Trust is registered under the Charities Act 1993 (Registration number 1084042).

**3. OBJECTS OF THE TRUST**

The Trust exists for the relief of poverty, sickness and distress among persons employed or formerly employed or active in the racing industry and their parents, spouses, widows and children.

**4. TAXATION**

The Trust, being a registered charity, is not subject to taxation on its income.

**5. DONATIONS AND GIFTS**

	Group Total Funds £'000	Charity Total Funds £'000
Individuals	35	35
Charitable foundations	432	431
Corporate donors	52	52
	<hr/>	<hr/>
	519	518
	<hr/>	<hr/>



**NOTES TO THE ACCOUNTS**

Period from 28 November 2000 to 31 December 2001

**6. LEGACIES**

The charity received legacies from two individuals totalling £818,000.

The Rous Charity is entitled to a share in a legacy in which a third party currently holds a life interest. The amount of the legacy is likely to be in excess of £150,000.

**7. INVESTMENT INCOME**

	<b>Group £'000</b>	<b>Charity £'000</b>
Interest receivable	235	208
Dividends received from equity shares	132	101
Dividends received from investment and unit trusts	2	-
	<u>369</u>	<u>309</u>

The transitional tax credit included above was £16,000 (group), £12,000 (charity).

**8. TRANSFERS FROM OTHER CHARITIES**

On 1 January 2001 the following assets, liabilities and funds were transferred to Racing Welfare.

<b>GROUP</b>	<b>The Rous Charity £'000</b>	<b>Bentinck, Beresford and Rendlesham Charity £'000</b>	<b>Racing Welfare Charities £'000</b>	<b>Jockey Club Charitable Trust £'000</b>	<b>Stable Lads Welfare Trust £'000</b>	<b>Total £'000</b>
Intangible fixed assets	-	-	198	-	-	198
Tangible fixed assets	332	-	1,848	-	2	2,182
Investments	205	1,674	384	4,262	884	7,409
Debtors	-	4	94	74	-	172
Cash	55	72	2,193	279	212	2,811
Creditors	(4)	(18)	(496)	(11)	-	(529)
	<u>588</u>	<u>1,732</u>	<u>4,221</u>	<u>4,604</u>	<u>1,098</u>	<u>12,243</u>
Represented by:						
Unrestricted Funds	588	437	4,048	4,604	1,092	10,769
Restricted Funds	-	1,295	173	-	6	1,474
	<u>588</u>	<u>1,732</u>	<u>4,221</u>	<u>4,604</u>	<u>1,098</u>	<u>12,243</u>

**NOTES TO THE ACCOUNTS**

Period from 28 November 2000 to 31 December 2001

**8. TRANSFERS FROM OTHER CHARITIES (continued)**

COMPANY	Racing Welfare Charities £'000	Jockey Club Charitable Trust £'000	Stable Lads Welfare Trust £'000	Total £'000
Intangible fixed assets	198	-	-	198
Tangible fixed assets	1,848	-	2	1,850
Investments	384	4,262	884	5,530
Debtors	94	74	-	168
Cash	2,193	279	212	2,684
Creditors	(496)	(11)	-	(507)
	<u>4,221</u>	<u>4,604</u>	<u>1,098</u>	<u>9,923</u>
Represented by:				
Unrestricted Funds	4,048	4,604	1,092	9,744
Restricted Funds	173	-	6	179
	<u>4,221</u>	<u>4,604</u>	<u>1,098</u>	<u>9,923</u>

**9. GRANTS**

During the period the following grants were made:

	Group £'000	Charity £'000
Amateur Jockeys Association (1)	11	11
Citizens Advice Bureau	3	3
Emergency Relief for Thoroughbreds (1)	12	12
Gatehouse	2	2
Inspire Foundation	1	1
Newmarket Day Centre	3	3
Northern Racing College	20	20
Ormiston Trust	6	6
Princess Royal Trust for Carers (1)	22	22
Riding for the Disabled (1)	11	11
Score	15	15
The Rous Charity	-	14
Payments to 362 individuals	291	291
	<u>397</u>	<u>411</u>

Note 1: These donations were made as a result of joint fundraising events held with the charities named above.

**NOTES TO THE ACCOUNTS**

Period from 28 November 2000 to 31 December 2001

**10. TOTAL RESOURCES EXPENDED**

<b>GROUP</b>	<b>Staff costs £'000</b>	<b>Other direct Costs £'000</b>	<b>Other allocated costs £'000</b>	<b>Total Funds £'000</b>
Fundraising costs	125	228	5	358
Merchandising costs	-	3	-	3
Grants	-	397	-	397
Investment management fees	-	20	-	20
Housing costs	23	120	5	148
Sports and leisure costs	-	85	-	85
Support costs	170	72	26	268
Management and administration	-	15	-	15
	<u>318</u>	<u>940</u>	<u>36</u>	<u>1,294</u>

Other direct costs include **£'000**

Auditors' remuneration	6
Depreciation and amortisation	40
Operating lease rentals	<u>2</u>

<b>CHARITY</b>	<b>Staff costs £'000</b>	<b>Other direct Costs £'000</b>	<b>Other allocated costs £'000</b>	<b>Total Funds £'000</b>
Fundraising costs	125	228	5	358
Grants	-	411	-	411
Investment management fees	-	17	-	17
Housing costs	21	93	5	119
Sports and leisure costs	-	85	-	85
Support costs	170	70	26	266
Management and administration	-	13	-	13
	<u>316</u>	<u>917</u>	<u>36</u>	<u>1,269</u>

Other direct costs include **£'000**

Auditors' remuneration	5
Depreciation and amortisation	<u>35</u>

**11. TRUSTEES' REMUNERATION**

No remuneration nor out of pocket expenses were received by trustees during the period.

**NOTES TO THE ACCOUNTS**  
Period from 28 November 2000 to 31 December 2001

**12. STAFF COSTS**

	<b>Group £'000</b>	<b>Charity £'000</b>
Wages and salaries	283	281
Social security costs	25	25
Pension costs	10	10
	<u>318</u>	<u>316</u>

No employee earned £50,000 per annum or more.

The average number of employees, calculated on a full time equivalent basis, analysed by function, was:

	<b>Charity and Group No</b>
Charitable activities	9
Cost of generating funds	4
Management and administration of the charity	1
	<u>14</u>

**13. PENSION COSTS**

The charity contributes to various pension schemes including a stakeholder pension scheme operated by independent organisations.

The cost for the year of £10,000 represents 5% of salary for participating employees.

**14. INTANGIBLE FIXED ASSETS**

	<b>Charity and Group Nomina- tion rights £'000</b>
Cost	
Transfers from other charities and at 31 December 2001	<u>198</u>
Amortisation	
Charge for period and at 31 December 2001	<u>2</u>
Net book value	
At 31 December 2001	<u>196</u>

**NOTES TO THE ACCOUNTS**

Period from 28 November 2000 to 31 December 2001

**15. TANGIBLE FIXED ASSETS FOR USE BY THE CHARITY**

<b>GROUP</b>	<b>Freehold land and buildings £'000</b>	<b>Leasehold buildings £'000</b>	<b>Project and office equipment £'000</b>	<b>Total £'000</b>
Cost				
At 1 January 2001	200	130	6	336
Transferred from other charities	1,830	1	19	1,850
Additions	22	-	12	34
At 31 December 2001	2,052	131	37	2,220
Depreciation				
At 1 January 2001	-	-	4	4
Charge for the period	29	3	8	40
At 31 December 2001	29	3	12	44
Net book value				
At 31 December 2001	2,023	128	25	2,176

Freehold land and buildings includes freehold land of £552,000 that is not depreciated.

<b>CHARITY</b>	<b>Freehold land and buildings £'000</b>	<b>Leasehold buildings £'000</b>	<b>Project and office equipment £'000</b>	<b>Total £'000</b>
Cost				
Transferred from other charities	1,830	1	19	1,850
Additions	15	-	12	27
At 31 December 2001	1,845	1	31	1,877
Depreciation				
Charge for the period and at 31 December 2001	26	-	7	33
Net book value				
At 31 December 2001	1,819	1	24	1,844

Freehold land and buildings includes freehold land of £552,000 that is not depreciated.

**NOTES TO THE ACCOUNTS**  
**Period from 28 November 2000 to 31 December 2001**

**16. INVESTMENTS HELD AS FIXED ASSETS**

	<b>Group £'000</b>	<b>Charity £'000</b>
At 1 January 2001	1,879	-
Transfers from other charities	5,530	5,530
Additions	7,362	5,973
Disposal proceeds	(5,008)	(3,581)
Net investment losses	(1,089)	(800)
	<hr/>	<hr/>
Market value at 31 December 2001	8,674	7,122
	<hr/>	<hr/>
Historical cost at 31 December 2001	8,952	7,377
	<hr/>	<hr/>
UK listed investments are represented by:		
Fixed interest securities	1,081	929
Equity shares	6,843	5,708
Investment trusts and unit trusts	750	485
	<hr/>	<hr/>
Total	8,674	7,122
	<hr/>	<hr/>

**Investments in subsidiaries:**

The company holds all the share capital of the following company:

	<b>Activity</b>
Racing Welfare (Enterprises) Limited	Sale of market affinity cards and prints

The company is registered in England and Wales and has a co-terminous year end.

**17. DEBTORS**

	<b>Group £'000</b>	<b>Charity £'000</b>
Trade debtors	1	1
Other debtors	87	85
Prepayments and other accrued income	132	128
	<hr/>	<hr/>
	220	214
	<hr/>	<hr/>

**18. SHORT TERM DEPOSITS**

	<b>Group £'000</b>	<b>Charity £'000</b>
Deposit account and treasury deposits	970	911
Cash held by investment managers	628	544
	<hr/>	<hr/>
	1,598	1,455
	<hr/>	<hr/>

**NOTES TO THE ACCOUNTS**  
Period from 28 November 2000 to 31 December 2001

**19. CASH AT BANK AND IN HAND**

	<b>Group £'000</b>	<b>Charity £'000</b>
Cash at bank	39	36
Cash held by investment managers	8	8
	<u>47</u>	<u>44</u>

**20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group £'000</b>	<b>Charity £'000</b>
Trade creditors	20	19
Taxation and social security costs	10	10
Other creditors	25	38
Accruals and deferred income	61	58
	<u>116</u>	<u>125</u>

**21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group and Charity £'000</b>
Debenture loan from The Horserace Betting Levy Board Due after more than five years	<u>444</u>

The debenture loan was transferred to Racing Welfare on 1 January 2001 by Racing Welfare Charities and is secured on the company's 0.22 acre land and property at Phantom and Moreton Stud, Newmarket, Suffolk.

The loan is repayable in two instalments and is interest free. The first repayment of £200,000 will be due on 1 October 2051. The balance is payable on 1 October 2056.

**RACING WELFARE**  
(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**  
Period from 28 November 2000 to 31 December 2001

**Deloitte  
& Touche**

**22. STATEMENT OF FUNDS**

<b>GROUP</b>	<b>At 1 January 2001 £'000</b>	<b>Transfer- red from other charities £'000</b>	<b>Income £'000</b>	<b>Expendi- ture £'000</b>	<b>Investment losses £'000</b>	<b>Transfers £'000</b>	<b>At 31 December 2001 £'000</b>
<b>General reserve</b>	990	7,595	2,341	(1,161)	(900)	(6,985)	1,880
<b>Designated funds:</b>							
Repairs and renewals fund	35	149	-	-	-	31	215
Income fund	-	2,000	-	-	-	5,000	7,000
Fixed asset fund	-	-	-	-	-	2,000	2,000
<b>Total unrestricted funds</b>	<b>1,025</b>	<b>9,744</b>	<b>2,341</b>	<b>(1,161)</b>	<b>(900)</b>	<b>46</b>	<b>11,095</b>
<b>Restricted funds</b>							
Fundraising	-	-	58	(58)	-	-	-
Building projects	-	100	16	-	-	(46)	70
Welfare projects	-	59	76	(55)	-	-	80
Educational projects	-	20	-	(20)	-	-	-
Endowment funds	1,295	-	-	-	(189)	-	1,106
<b>Total restricted funds</b>	<b>1,295</b>	<b>179</b>	<b>150</b>	<b>(133)</b>	<b>(189)</b>	<b>(46)</b>	<b>1,256</b>
<b>Total funds</b>	<b>2,320</b>	<b>9,923</b>	<b>2,491</b>	<b>(1,294)</b>	<b>(1,089)</b>	<b>-</b>	<b>12,351</b>



**RACING WELFARE**  
(A company limited by guarantee)

**NOTES TO THE ACCOUNTS**

Period from 28 November 2000 to 31 December 2001

**22. STATEMENT OF FUNDS (continued)**

CHARITY	At 1 January 2001 £'000	Transfer- red from other charities £'000	Income £'000	Expendi- ture £'000	Investment losses £'000	Transfers £'000	At 31 December 2001 £'000
<b>General reserve</b>		7,595	2,303	(1,121)	(800)	(6,785)	1,192
<b>Designated funds:</b>							
Repairs and renewals fund		149	-	-	-	24	173
Income fund		2,000	-	-	-	5,000	7,000
Fixed asset fund		-	-	-	-	1,800	1,800
<b>Total unrestricted funds</b>		9,744	2,303	(1,121)	(800)	39	10,165
<b>Restricted funds</b>							
Fundraising		-	58	(58)	-	-	-
Building projects		100	15	(15)	-	(39)	61
Welfare projects		59	76	(55)	-	-	80
Educational projects		20	-	(20)	-	-	-
<b>Total restricted funds</b>		179	149	(148)	-	(39)	141
<b>Total funds</b>		9,923	2,452	(1,269)	(800)	-	10,306

The general reserve represents the free funds of the charity which are not designated for particular purposes.

The repairs and renewals fund has been designated by the trustees for ongoing maintenance of the housing properties.

The fixed asset fund has been set up to assist in identifying those funds that are not free funds and it represents the net book value of tangible fixed assets.

The income fund represents funds set aside to produce investment income to finance the charity's obligations to pay grants to quarterly beneficiaries.

**NOTES TO THE ACCOUNTS**

Period from 28 November 2000 to 31 December 2001

**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

<b>GROUP</b>	<b>Restricted Funds £'000</b>	<b>Designated Funds £'000</b>	<b>General Funds £'000</b>	<b>Total £'000</b>
Intangible fixed assets	-	-	196	196
Tangible fixed assets	-	2,000	176	2,176
Investments	1,040	7,122	512	8,674
Current assets	215	93	1,557	1,865
Current liabilities	-	-	(116)	(116)
Long term liabilities	-	-	(444)	(444)
<b>Total net assets</b>	<b>1,255</b>	<b>9,215</b>	<b>1,881</b>	<b>12,351</b>
<b>CHARITY</b>				
Intangible fixed assets	-	-	196	196
Tangible fixed assets	-	1,800	44	1,844
Investments	-	7,122	-	7,122
Current assets	141	51	1,521	1,713
Current liabilities	-	-	(125)	(125)
Long term liabilities	-	-	(444)	(444)
<b>Total net assets</b>	<b>141</b>	<b>8,973</b>	<b>1,192</b>	<b>10,306</b>

**24. SUBSIDIARY COMPANY**

The charity owns the whole of the issued share capital of Racing Welfare (Enterprises) Limited, a company registered in England. The subsidiary is used for non-charitable trading activities.

The main activity is to market affinity cards and to publish and market brochures and racing prints. All activities have been consolidated on a line by line basis in the SOFA. The majority of the net profit is gifted to the charity.

A summary of the results of the subsidiary is shown below:

	<b>£</b>	<b>£</b>
Turnover		8,820
Cost of sales		8,990
Gross loss		(170)
Other income		2,193
Administrative expenses		
Exceptional gift to Racing Welfare	(1,000)	
Other administration expenses	(738)	
		(1,738)
Net profit		285
The aggregate of the assets and liabilities and funds was:		
Assets		1,510
Liabilities		(701)
		809

**NOTES TO THE ACCOUNTS**

Period from 28 November 2000 to 31 December 2001

**25. CASH FLOW INFORMATION**

**a) Reconciliation of changes in resources to net inflow from operating activities**

	Group £'000
Net incoming resources before revaluations and before transfers from other charities	1,197
Depreciation and amortisation	40
Decrease in stocks	7
Decrease in debtors	(40)
Increase in creditors	(66)
	<hr/>
Net cash inflow from operating activities	1,138 <hr/>

**b) Reconciliation of net cash flow to movement in net funds**

	£'000
Decrease in cash in the period	(85)
Cash inflow from decrease in liquid resources	(1,165)
	<hr/>
Movement in net funds in the period	(1,250)
Funds transferred from other charities	2,895
	<hr/>
Net funds at 31 December 2001	1,645 <hr/>

**c) Analysis of net funds**

	Transfer- red from other charities £'000	Cash flow £'000	At 31 December 2001 £'000
Cash at bank and in hand	121	(85)	47
Liquid resources	2,643	(1,165)	1,598
	<hr/>	<hr/>	<hr/>
	2,764	(1,250)	1,645 <hr/>

**26. OPERATING LEASE COMMITMENTS**

At 31 December 2001 the company was committed to making the following payments during the next year in respect of operating leases:

	Other £'000
Leases which expire	
Within two to five years	3
	<hr/>

**NOTES TO THE ACCOUNTS**  
**Period from 28 November 2000 to 31 December 2001**

**27. CONNECTED CHARITIES**

Racing Welfare has some trustees and administration in common with the following charities:

Stable Lads Welfare Trust  
Stable Lads Welfare Trust Housing Association Limited

During the period Racing Welfare made the following charges for the use of common facilities and administration:

	<b>£'000</b>
The Rous Charity	2
Stable Lads Welfare Trust Housing Association Limited	4
	<hr/>
And the following charges for staff costs:	
The Rous Charity	7
Stable Lads Welfare Trust Housing Association Limited	20
Stable Lads Welfare Trust	1
	<hr/>

The following amounts were owed to (from) connected charities:

	<b>£'000</b>
Stable Lads Welfare Trust	4,236
	<hr/>

**NOTES TO THE ACCOUNTS**  
Period from 28 November 2000 to 31 December 2001

**28. ACQUISITION OF SUBSIDIARY UNDERTAKINGS**

	<b>The Rous Charity £'000</b>	<b>Bentinck, Beresford and Rendlesham Charity £'000</b>
Net assets acquired		
Fixed assets	332	-
Fixed asset investments	205	1,674
Debtors	-	4
Cash at bank	55	72
Creditors	(4)	(18)
	<u>588</u>	<u>1,732</u>
Represented by:		
Unrestricted Funds	588	437
Restricted Funds	-	1,295
	<u>588</u>	<u>1,732</u>

The company also purchased the entire share capital of Racing Welfare (Enterprises) Limited for £2.

**29. EVENT OCCURRING AFTER THE YEAR END**

On 28 January 2002 Racing Welfare became the sole trustee of the Stable Lads Welfare Trust.