

Review 2016

THE
RACING
FOUNDATION



About the Foundation

The Racing Foundation was established in 2012 and has received an endowment of £78million from the net proceeds of the government's sale of the Tote.

The Foundation supports charitable purposes associated with the horseracing and thoroughbred breeding industry. By using investment income to make grants it has the unique opportunity to establish a lasting legacy for the sport.

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The Board

Sir Ian Good Chairman
Ian Barlow Trustee
Mark Johnston Trustee
Jane Keir Trustee
William Rucker Trustee

Staff

Rob Hezel CEO
Tansy Challis Grants Manager

Chairman's Introduction

This will be my last opportunity to write an introductory message for the Racing Foundation Annual Review. I step down as Chair and as a Trustee on the 30th June 2017. I have enjoyed my extended term; enjoyed working with my colleagues, enjoyed seeing our grants in action, (a theme of this report) and enjoyed the positive influence that I think we have been able to have on several issues facing the industry.



In 2016, we have embedded our new staff and new trustees and added to our knowledge and skills with the appointment of Mark Johnston as a trustee. I am confident I leave behind an organisation capable of delivering on its mission in the future. We have in place a knowledgeable and dedicated team with the range of skills

required to rise to the challenges that will no doubt be presented to them in 2017 and beyond.

In the last twelve months we have continued to deliver our strategy and pledged £2.3m to support projects across the industry. Almost £1 million was pledged to support training and development which has been the largest beneficiary of our funding since inception. I am hopeful that the industry will now put in place an effective strategy in this area so we are able to recruit, develop and retain racing's workforce over the coming years.

Equine welfare charities have again benefited from our grants (£337k in 2016) and this is another area where the creation of a suitable industry strategy will allow the foundation to leverage its resources, supporting activities in managing one of the sports largest risks.

I hope you find this publication interesting and useful and that it allows you to better understand the work of the Foundation and the impact of some of the projects we have supported. I would like to wish my successor Ian Barlow, the trustees and staff at the Foundation all the very best for the future and encourage you to work closely with them to help "make a difference" to our sport.

Sir Ian Good
Chairman

"We have in place a knowledgeable and dedicated team with the range of skills required to rise to the challenges that will no doubt be presented to them in 2017 and beyond."

Chief Executive's Foreword

The theme of this report is grants in action and we examine in more detail the impact of some of the grants we have awarded in the past. But while we do that and importantly learn lessons from what has gone before at the Foundation we are very much looking forward. None of the original staff or trustees of the Foundation are now in post and those of us who have succeeded them are keen to build on the strong legacy they have left us.



Since joining the industry in November 2015 I have been struck by the number of discussions I have heard and the number of decisions I have seen made based on anecdotal evidence. I know we are a tight knit industry and that many people have a great depth of experience but I feel there is a real need to move to more evidence

based decision making and I am hopeful the Foundation will be a catalyst for this approach in the future.

In the Autumn, we conducted our survey of trainers and stable staff for our recruitment, skills and retention research, (page 20) which alongside work such as the nutrition programme at Liverpool John Moores University (page 10) and the recently published work on gender diversity provide real evidence on which future industry strategy and policy can be based.

More recently we have conducted stakeholder surveys (page 24) to find out the views of both our members and the charities we have supported. This is vital information as we construct our strategy for

2018 and beyond. The strategy is a fundamental piece of work for the Foundation and will determine both how we operate over the coming years and the impact we are able to have. Thankfully we will be able to construct it in an informed way thanks to the valuable input received from our stakeholders.

Before closing I would like to recognise both Kirsten Rausing who retired from the Board in 2016 and Sir Ian Good who steps down as trustee and Chair at the end of June. They were both fundamental in shaping where the Foundation is today and instrumental in creating a strong, sustainable organisation that is able to move ahead confidently. As Chair Sir Ian's knowledge of racing, commerce and the charities sector has also been of great assistance to me as I have tried to understand horseracing, thoroughbred breeding and the role of the Foundation and I would like to thank him for that.

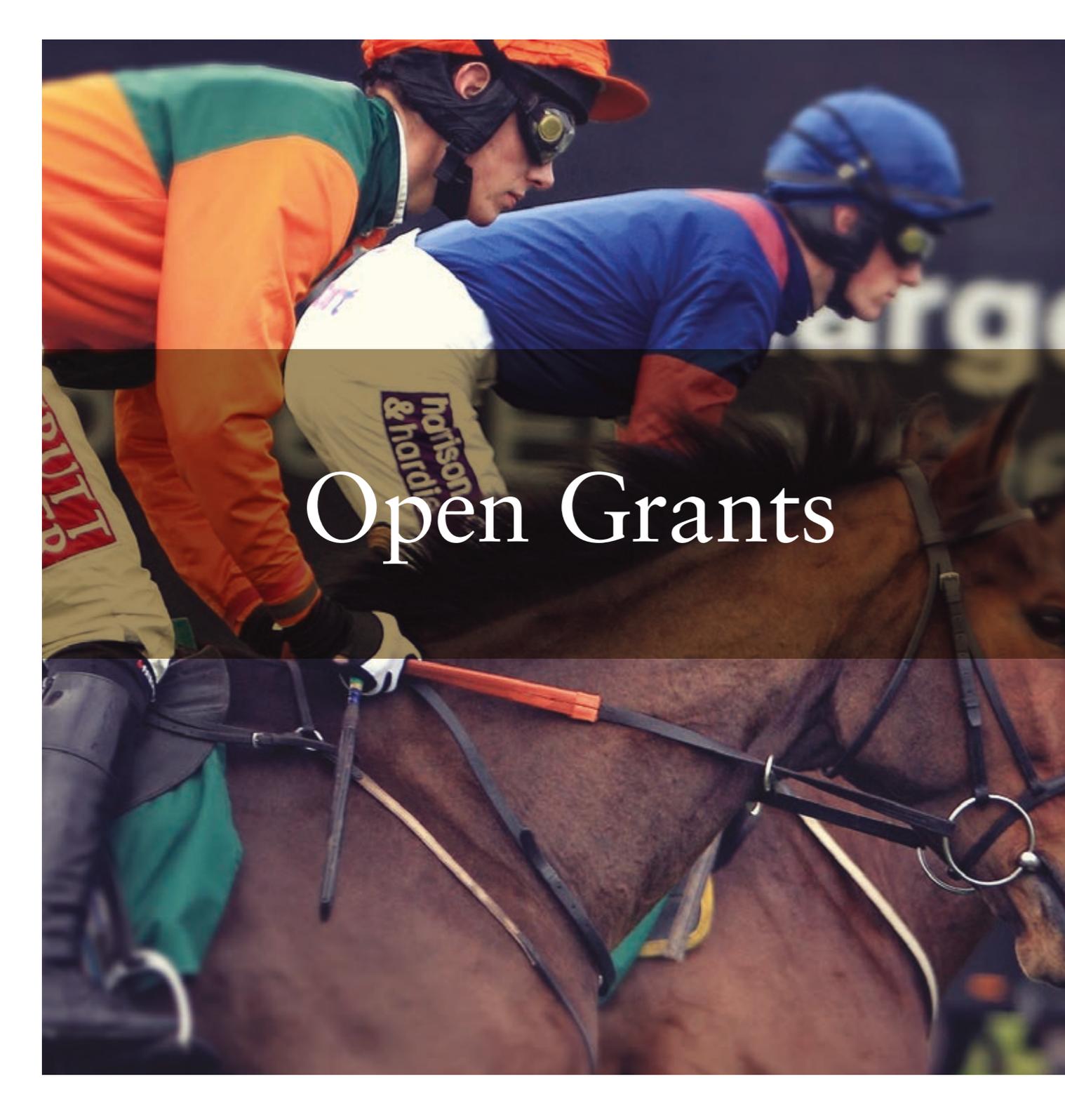
Finally, thank you for reading and I look forward to working with you again in the future to "make a difference" to our sport.

Rob Hezel
CEO

"There is a real need to move to more evidence based decision making and I am hopeful the Foundation will be a catalyst for this approach in the future."



Goodwood Racecourse provided by the Racecourse Association



Open Grants

Training and Education

Grants awarded in 2016

11 grants

Grants totalling

£953,000

2016 witnessed an increase in grant applications for education and training projects in response to recruitment and retention issues being faced by the industry. The Racing Foundation awarded 11 grants to charities totalling more than £953,000 in this area, including the British Racing School, Northern Racing College, Thoroughbred Breeders Association, Racing to School, Greatwood, Racehorse Rescue Centre, Oxford Brookes University, HEROS and Racing Welfare.





RACING TO SCHOOL

Riders Programme

£26,000 – 1 year pilot

As part of its strategic development, Racing to School identified new initiatives to extend and diversify its existing education work with youngsters at the same time as raising awareness of the varied career opportunities offered by the horseracing industry. One of these, the 'Riders Programme' will engage with young people who have shown a committed interest in equestrianism to give them a greater insight into breeding and racing and the various points of entry into the industry.

The Racing Foundation has awarded a grant of £26,000 to fund a 1-year pilot for this programme to enable Racing to School to work with The Pony Club and Equine Colleges to deliver more than 30 educational event days and reach over a thousand young people aged 13 - 23.

By raising awareness of the horseracing industry the programme hopes to attract knowledgeable and motivated new staff from a hitherto untapped pool of potential recruits.



THE THOROUGHBRED BREEDERS ASSOCIATION (TBA)

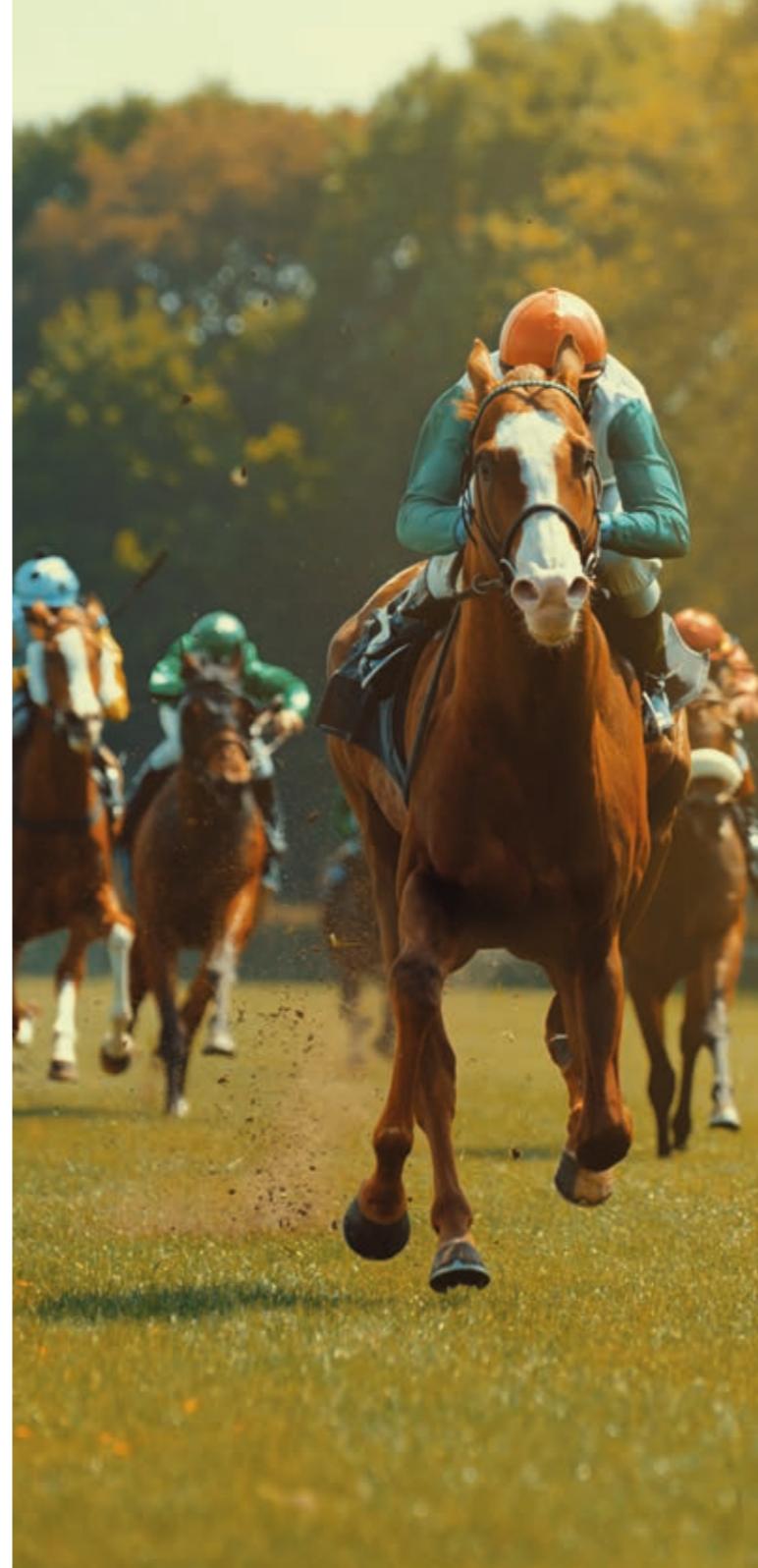
Careers Course

£15,000

At the beginning of 2016, the Racing Foundation awarded a grant to the TBA to deliver a 2-day Careers Course via its Thoroughbred Club for young people with an interest in working in the equine sector to improve their knowledge of opportunities in the horseracing industry.

The course was subsequently run on the 14th and 15th November in Newmarket. It showcased a variety of opportunities available through a range of professional speakers and a series of plenary sessions, workshops and site visits that enabled delegates to explore in depth the particular roles that appealed to them. A series of networking opportunities were also provided to enable delegates to engage directly with racing organisation representatives and information packs were provided containing course presentations, an overview of training opportunities and advice and guidance on how to pursue a career in racing.

157 delegates attended the course and a feedback survey indicated that a large proportion came from colleges or universities with 96% noting a more detailed understanding of the industry. A number of delegates have gone on to apply for the BHA Graduate Development Programme or to pursue work experience with contacts made during the course.



RACING WELFARE

Careers Advice and Training Service

£62,350

In the summer of 2016 the Racing Foundation awarded a grant to Racing Welfare to set-up, launch and trial a dedicated careers advisory and training service for racing's workforce, with the aim of encouraging greater take-up of career planning and training opportunities; increasing confidence, motivation and job satisfaction; addressing personal career issues before they become welfare issues and generally attempting to improve retention rates within the industry. Support through CATS will be tailored to each individual with the degree of support ranging from simply answering career-related questions or providing information, through to a series of careers coaching sessions and action planning. It will include racing careers advice; assistance with job applications and job searches; advice on CV writing, interview skills and making funding applications for training courses.

We are delighted to report that the content, framework, delivery mechanism and marketing of this service was developed throughout 2016 and it was officially launched at the beginning of 2017.

Social Welfare

Grants awarded in 2016
5 grants
Grants totalling
£317,000

LIVERPOOL JOHN MOORES UNIVERSITY

Nutrition intervention to improve Jockey and Stable Staff welfare

£207,000 over 3 years

In July 2016, the Racing Foundation awarded a grant of £207,000 to support a ground-breaking, nutritional intervention programme that could radically change the way jockeys and stable staff control weight. The programme is being developed over the next 3 years by a specialist team at Liverpool John Moores University (LJMU), led by former jockey, Dr George Wilson and including the head of nutrition for cycling's Team Sky. Following 7 years of research into the serious health implications of extreme weight-making practises in jockeys (part funded by the Sheikh Mansoor Racing Festival) the team has designed healthier, alternative weight-making programmes. Widely regarded as revolutionary,

these have proved effective for a number of jockeys but the Racing Foundation's funding will formalise and extend the trial to include all jockeys (including apprentices and conditionals) as well as stable-staff who are required to ride-out.

In addition to offering the facilities at LJMU to measure bone and body composition, hydration, metabolism and provide strength and fitness assessments, Dr Wilson is working with racing organisations to provide workshops, tests, presentations and bespoke advice in the main racing centres across the country. The overall aim of this grant is to provide healthy weight-making options to improve the general fitness and welfare of all of racing's participants.

Anyone interested in learning more about nutrition, fitness and controlling their weight whilst maintaining health and performance are invited to contact George Wilson via email: g.wilson1@ljmu.ac.uk



RACING WELFARE

Newmarket Racing Community Family Group

£40,000

Following a recorded increase in the number of beneficiaries, with families, supported by Racing Welfare and a corresponding increase in the number of families supported by Home-Start Mid Suffolk with one or both parents working in racing, the two charities have agreed to work in partnership to set-up a racing-specific family support group for Newmarket and the surrounding area.

Based on an established and proven model used by Home-Start (with 35 years of experience providing family support), it will include support for racing-specific issues that have been identified by Racing Welfare and will offer 1:1 sessions as well as larger community support groups. The Racing Foundation, along with Godolphin, has provided a grant to fund a one-year trial of the scheme which, if successful, has the potential to be extended to other racing centres across the country as both Racing Welfare and Homestart operate on a national level.

The Newmarket Racing Community Family Group has now been officially launched with group sessions being run at The Racing Centre.

Equine Welfare

Grants awarded in 2016
9 grants
Grants totalling
£337,000

RETRAINING OF RACEHORSES

Expansion of the Regional Education Programme

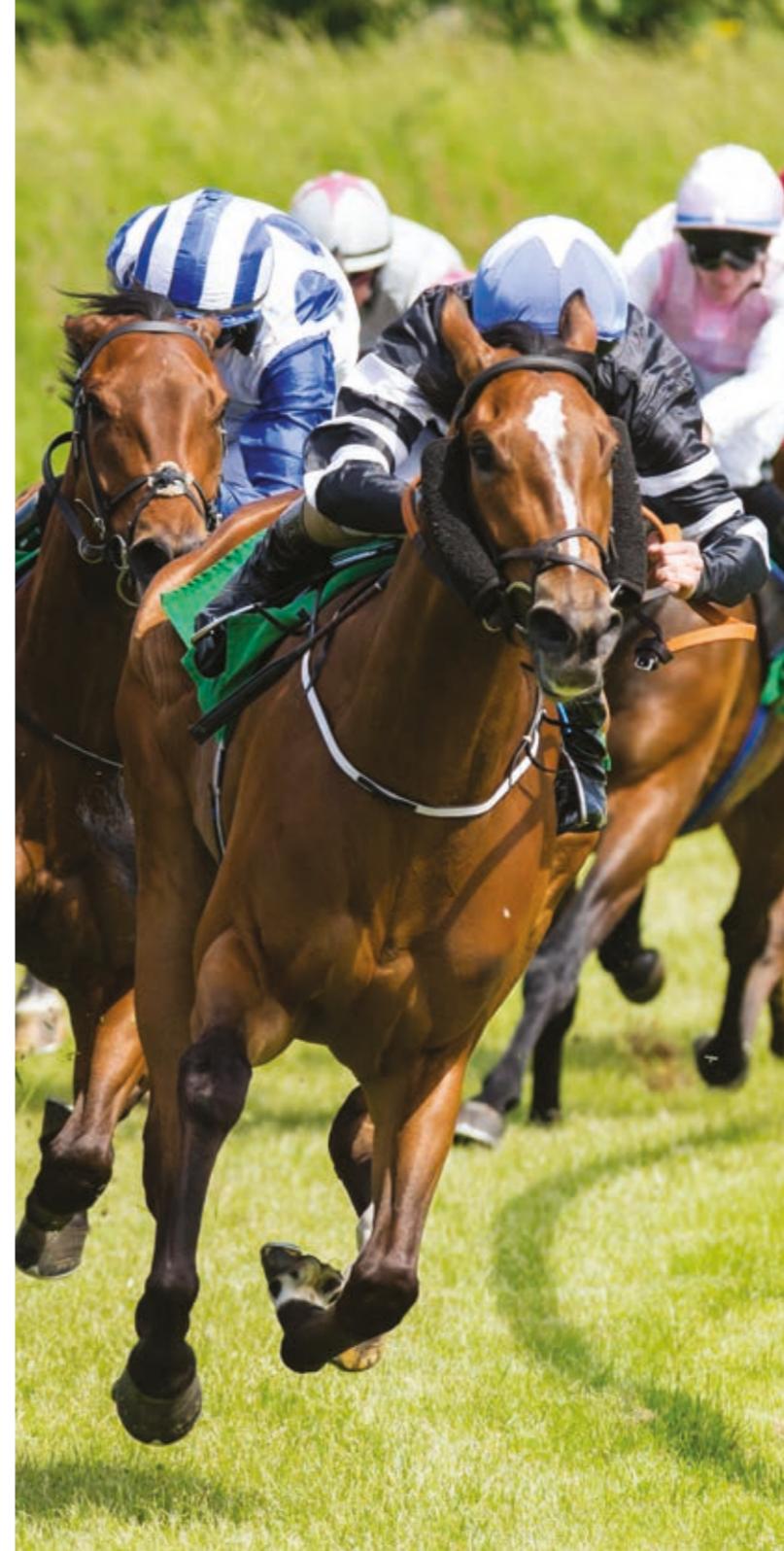
£250,000 – 2 years

At the end of 2016, the Racing Foundation awarded a large grant to Retraining of Racehorses (RoR) to expand the reach of its already successful regional education programme and offer an increasing number of activities in response to rising demand. The expansion will build on the current model that uses a network of regional volunteers across the country, overseen by a National Co-ordinator, to provide support for owners of ex-racehorses through a number of clinics, workshops, seminars, training camps and grass roots activities. The programme raises awareness of ex-racehorse ownership and provides new owners with the necessary skills to manage, train and ride a former racehorse. It aims to reduce the likelihood of issues developing which could, if unaddressed, lead to vulnerable or welfare cases further down the line.

An evaluation of the education activities shows that demand varies across different regions and this grant will enable the programme to become even more targeted to ensure maximum impact. The number of Regional Co-ordinators will be increased from 11 to 14 and a range of volunteer Regional Assistants will assist with the delivery of targeted activities to address the most common issues. It is expected that the number of educational activities delivered will

increase by 25% during the first year and the grant will also enable RoR to initiate an annual National two-day seminar to raise awareness of the versatility of ex-racehorses and to address concerns raised by potential new owners.

RoR firmly believes that by providing new owners with the opportunity to develop and improve their practical and riding skills, they will be better equipped to provide a long-term home for a former racehorse. This, in turn will reduce the need for future welfare intervention and reduce the number of cases where horses become difficult to manage and are passed on through uneducated hands.



The Racing Foundation also awarded a number of grants for various organisational development projects for other equine welfare charities.

These included a grant of £26,000 to New Beginnings, for the provision of consultancy support to research, create and implement a Development Plan focusing on securing sustainability and increasing capacity. They also included small grants to HEROS, The Racehorse Sanctuary and The Racehorse Rescue Centre for development projects including IT and database upgrades, website development and education activities.



“Grants have been made in the areas of training & education, social welfare, equine welfare, equine science research, and heritage & culture”

Heritage & Culture

Grants awarded in 2016

2 small grants

Grants totalling

£15,000

FRIENDS OF NEWMARKET LIBRARY

Refurbishment of the Racing Collection

£9,850

At the end of 2016, the Racing Foundation awarded £9,850 to The Friends of Newmarket Library under its Small Grants Programme, to cover the cost of refurbishing, updating and re-cataloguing the Racing Collection, which is homed in a dedicated room within the library.

The unique collection consists of an impressive range of 700 historic publications, including Racing Calendars dating back to 1760, Ruff's Guides to the Turf dating back to 1897 and Bloodstock Breeders Reviews dating back to 1912. It also contains a range of racing reference books and biographies that have been donated over time.

The collection is open to the public so it is hoped the refurbishment will ensure its long-term preservation, increase its accessibility and usage and raise awareness of its content. Part of the grant will also be used to update marketing materials and further promote the collection in the local and wider community.

The refurbishment has since been completed and is now fully open to the public.

FREE SPIRIT

Horse Memorial

A small grant was also awarded to the Free Spirit Horse Memorial, a charity that has been set up to raise funds to produce a memorial dedicated to acknowledging the horse's service to mankind in conflict, work and sport.

The life-sized bronze will be homed at the National Memorial Arboretum in Stafford, which is visited by 500,000 people each year, and will be the first memorial granted by the NMA to an animal in its own right. Given the prominence of the sport of horseracing (second most popular sport in the UK behind soccer) and the crucial role played by the Thoroughbred, the Racing Foundation's Trustees felt it was important for the horseracing industry to join other equestrian sports in supporting the appeal.

The memorial will also be used as an education tool for youngsters to learn about the role of the horse in history and sport. Information packs will cover all spheres of equestrianism and will provide an opportunity to showcase the racing industry and the career opportunities it offers.

The appeal is ongoing and due to reach its target in time for a September 2018 unveiling.



Grants in Action

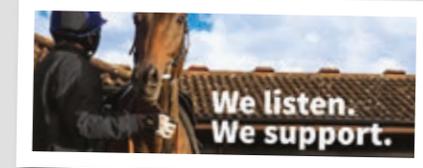
Updates on Previous Grant Awards

The Racing Foundation considers the strategy for developing projects it funds into sustainable programmes. Once funded projects provide regular reports on the progress being made, lessons being learnt and the impact generated by the grant awarded to them. Monitoring reports received during 2016 show that great progress was made in a range of areas:



The Thoroughbred Exchange Network was officially launched to translate equine research on the most common health and performance-limiting problems into easily understandable information. So far, it has focused on prevention of tendon injuries; risk factors of Exercise Induced Pulmonary Haemorrhage; breeding for speed; and equine digestion.

For information visit: www.thoroughbredhealthnetwork.co.uk



Racing's Support Line was officially launched last year by Racing Welfare. It offers a multi-platform digital support service that will enable the charity to extend the remit of its services and in particular help those working in rural areas away from the main racing centres.

For information visit: www.racingwelfare.co.uk

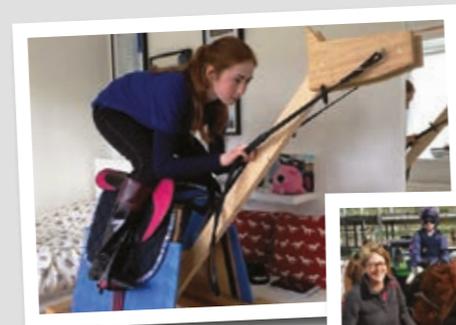
Grants in Action
continued...



The Thoroughbred Horseracing Industry MBA course at the University of Liverpool witnessed its second year intake in October and the Racing Foundation provided two further scholarships for charity staff. Feedback from first year delegates has been very positive and we are delighted to be offering further scholarships for the 2017 and 2018 academic year intake.

Pony Racing Academies run by the British Racing School, Northern Racing College and Pony Racing Authority, were a huge success in 2016. Offered to youngsters without a pony or a link to racing, courses were run throughout the year, across the UK.

They culminated in many youngsters making their racecourse debut at Lingfield, Beverley, Haydock, Ascot and Cheltenham and attracted great publicity, including the story of Olivia Tubb (pictured) winning her debut race at Cheltenham after attending an academy and gaining extra practise on a wooden horse built by her father as he could not afford to buy a pony! We are delighted to report that a number of youngsters have gone on to pursue training opportunities for a career in racing.



Recruitment, Skills & Retention Research

Our survey run in association with The British Horseracing Authority, National Association of Stable Staff and National Trainers Federation in the autumn received an amazing response rate with 457 trainers (79%) and 936 staff (15%) completing the survey.

As well as providing valuable data against which to measure our £1million pound initiative in this area we are hopeful the research will be of use to policy makers.



Recruitment Skills & Retention issues are problematic for **38%** of trainers

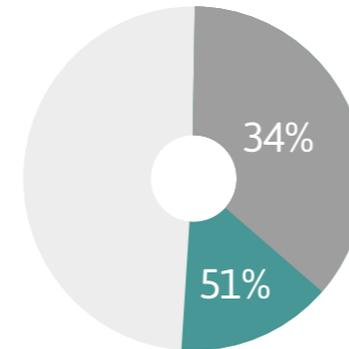
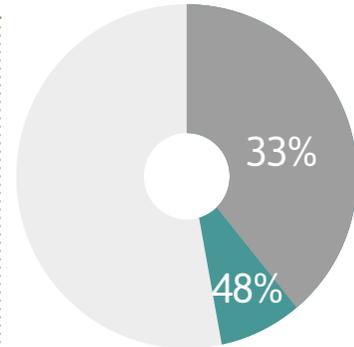


2 main reasons for recruitment difficulties:
 1. Lack of staff
 2. Lack of sufficient skilled staff especially amongst rider/groom and work rider roles



29% of trainers said their workforce has skill gaps...

...compared with **14%** of businesses nationally



51% of trainers did not fund or arrange training or development for their staff* compared with 34% of businesses nationally



48% of permanent vacancies in the racing industry are hard-to-fill compared with 33% of businesses nationally

24% of permanent posts in racing yards require recruitment activity annually

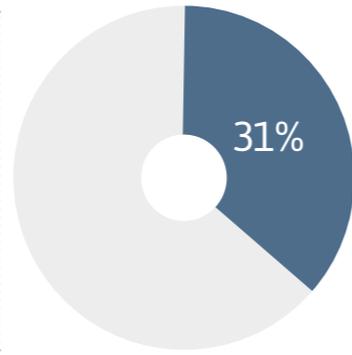


Larger yards are more likely to experience hard-to-fill vacancies, retention difficulties, and skills gaps

Smaller yards are less likely to fund or arrange training or development for their staff

55%

of staff are satisfied with career progression opportunities



31%

would like to train to start another career in a different industry

80%

of staff are satisfied with their job while



21%

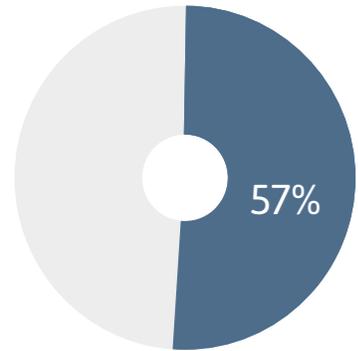
are planning to leave the industry within two years



STAFF FINDINGS



Staff that are unsatisfied with training, development and career opportunities are less likely to be satisfied with their job and more likely to plan to leave the industry



57%

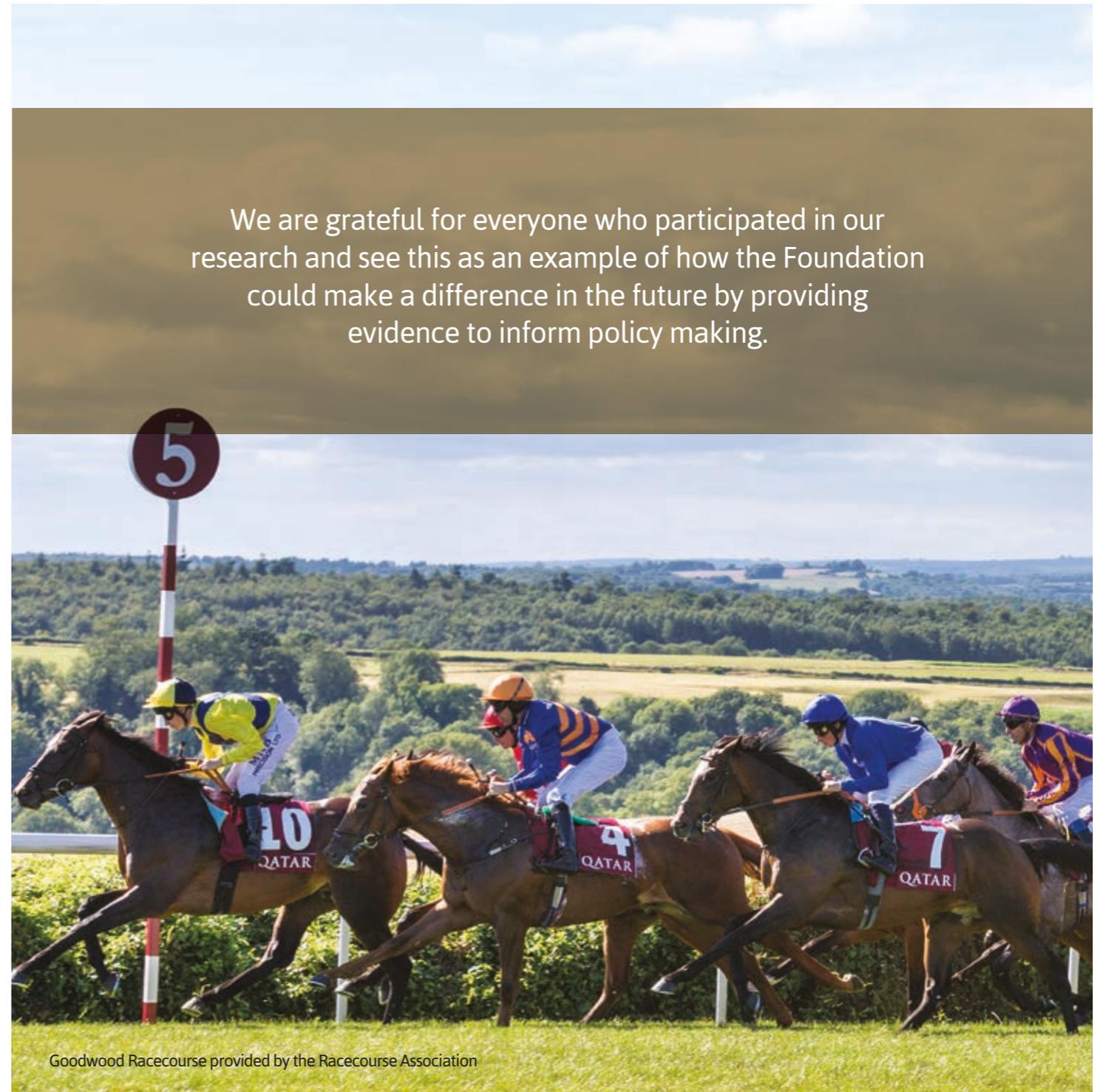
of staff are satisfied with training and development opportunities

Staff that have worked in the industry for 10 years or more tend to be less satisfied with their jobs than other racing staff



29%

of staff received training and development in the last 12 months

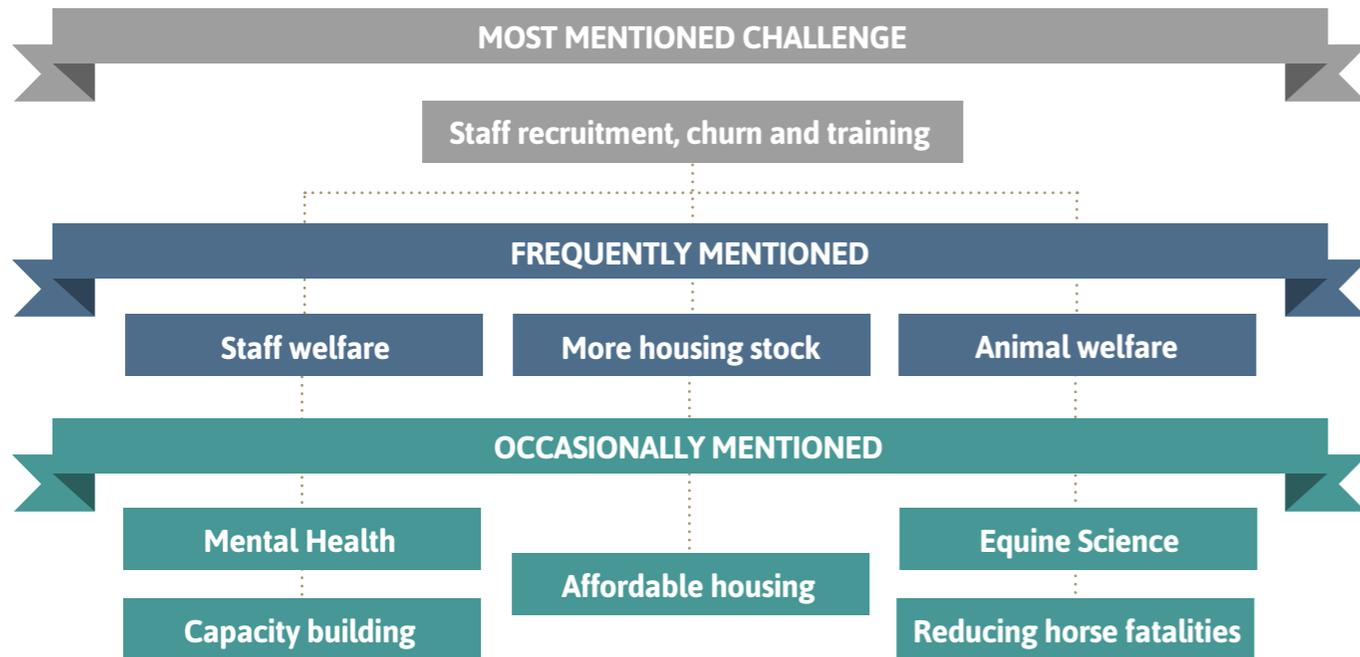


We are grateful for everyone who participated in our research and see this as an example of how the Foundation could make a difference in the future by providing evidence to inform policy making.

Goodwood Racecourse provided by the Racecourse Association

Stakeholder Feedback

We have gathered feedback this year from both our members and those charities who we support on both the key challenges facing the industry and our own performance. This identified a range of industry challenges and allowed us to understand how the Foundation is viewed.



“There is a staff crisis really - there are a lack of people coming into the industry and staying in it”



Summary Director's Report

The principal activity of the Foundation is the advancement for the public benefit of any charitable purpose associated with the horseracing and thoroughbred breeding industry or with equine welfare. It does this by delivering a portfolio of grant schemes, encouraging charities to work together and managing its own resources effectively.

The full Annual Report and Financial Statements from which the summary financial information is derived and on which the auditors gave an unqualified opinion have been filed with the Registrar of Companies.

Sir Ian Good
Chairman

Risk

The trustees have adopted a formal risk management process to assess risk and implement risk management strategies.

They concerned themselves with the following risks in 2016:

- Stock market volatility
- Lack of continuity
- Industry pressure
- Lack of infrastructure
- IT fraud

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

Summary Balance Sheet as at 31st December 2016

	2016	2015
Total Assets	89,987	82,943
Total Liabilities	2,029	2,004
Net assets	87,958	80,939
Total Capital and Reserves	87,958	80,939

Summary Statement of Financial Activities for the year ended 31st December 2016

	2016	2015
Total income	1,886	1,876
Total expenditure	2,556	2,656
Gain on investments	7,689	550
Movement in Funds	7,019	(230)
Total Funds brought forward	80,939	81,169
Total Funds carried forward	87,958	80,939

Summary Grant Expenditure for the year ended 31st December 2016

	2016	2015
Training and Education	953	457
Social Welfare	317	364
Equine Welfare	337	225
Heritage and Culture	15	500
Equine Science	227	134
Industry Initiatives	176	557
Total	2,025	2,237

The summarised financial information may not contain sufficient information to allow a full understanding of the financial affairs of the Racing Foundation. For further information, the full Annual Report and Financial Statements should be consulted.

Independent Auditor's Opinion

We have examined the summary financial statement for the year ended 31 December 2016.

Respective responsibilities of directors and the auditor

The directors are responsible for preparing the summary financial statement in accordance with applicable United Kingdom law. Our responsibility is to report to you our opinion on the consistency of the summary financial statement with the full annual financial statements, and its compliance with the relevant requirements of section 427 of the Companies Act 2006 and the regulations made thereunder.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practice Board. Our report on the company's full annual financial statements describes the basis of our opinion on those financial statements.

Opinion

In our opinion the summary financial statement is consistent with the full annual financial statements of The Racing Foundation for the year ended 31 December 2016 and complies with the applicable requirements of Section 427 of the Companies Act 2006 and the regulations made thereunder.

RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston

17th April 2017

THE RACING FOUNDATION

Registered Address:

75 High Holborn, London WC1V 6LS

Telephone:

0300 321 1873

Charity Registration Number: 1145297

Company Registration Number: 07890908

www.racingfoundation.co.uk

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