

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 2021

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

CONTENTS

	Page
Legal and administrative information	1
Chairman's Report	2
Report of the Trustees	4
Independent auditors' report	12
Statement of financial activities	16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19

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

LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees	Professor N Jackson, Chairman Ms J Baker Mr B Cussons Mr D Hobday Mr S Kollamthodi Mr P Read	
Director	Mr S Gooding CB	
Registered office	Royal Automobile Club Foundation for Motoring Limited 89-91 Pall Mall London SW1Y 5HS	
Company registration number	2596548	
Charity number	1002705	
Independent Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE	
Bankers	National Westminster Bank Plc 208 Piccadilly London W1A 2DG	
Investment Advisors	Barnett Waddingham Cheapside House 138 Cheapside London EC2V 6BW	
Investment Managers	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 2021**

Although not quite as challenging as 2020, with its full covid-related lockdown, 2021 was another year where many of the usual Foundation activities were curtailed by the ongoing Covid restrictions and Government urging those who could to work from home rather than returning to full-time office life. Another year passed with no Winter Reception, no Summer Motoring Policy workshop and all but one of our Public Policy Committee meetings held on-line rather than in person. I am nevertheless pleased to relate that despite all these factors there was no let-up in Foundation activity and engagement, and in the latter part of the year, as some face-to-face contact began to re-appear, we were at last able to meet with my fellow Trustees and PPC members in October and volunteer a proper vote of thanks to my predecessor as Chair, Joe Greenwell, who joined us for a convivial evening in the Royal Automobile Club's Pall Mall clubhouse. As I said in my report last year, Joe did a tremendous job as chair, in particular building the essential relationships throughout the automotive and motoring policy worlds on which the effectiveness of the Foundation rests.

Into November and the Foundation was able to re-instate its popular Data Driven workshop in-person during the Royal Automobile Club's London Motor Week, focusing on data sources and data analysis relevant for informing thinking on motoring and roads policy issues. Motor Week leads up to the annual RM Sotheby's London to Brighton Veteran Car Run, which this year included a collaboration between the Club and the Foundation to create the world's oldest 'connected cars', an initiative then published in a Foundation report setting out how it was done and giving pointers to the way connected vehicle technology could be used in future.

July saw the publication of *Standing Still*, an analysis of various aspects of parking, authored by the Foundation's Emily Nagler, updating work originally undertaken for *Spaced Out* in 2012. The report focused, in particular, on where and for how long most private cars are left stationary and the opportunity thereby to shape the deployment of charging infrastructure for plug-in electric vehicles. It also drew attention to the impossibility of fitting many modern cars into the 'garages' of 21st century homes – bad news for those hoping to keep residential streets and footways clear. Emily left the Foundation for pastures new in September and we wish her all the best for the future.

Aside from commenting in the mainstream media and the professional press, away from the many conference appearances, and separate from the published analytical output, a key part of the Foundation's mission is engagement with policy development. During the year the Foundation's Director joined me as a member of the Electric Vehicle Energy Task Force, which brings colleagues from the automotive and energy industries together to generate advice to Government on how best to manage the swift process of migrating to non-fossil-fuelled vehicles in order to meet its net zero carbon ambitions. The Director was also active as the chair of the Department for Transport's Transport Technology Forum, and the Foundation team continued to participate in more sounding boards and workshops than there is space to list here. I am also pleased to congratulate the Director on becoming president of the Chartered Institute of Logistics and Transport UK for 2021-22, which reflects well on him and on the Foundation.

The Foundation owes a huge debt of gratitude to my fellow Trustees for their active engagement and encouragement throughout the year. I am particularly grateful to Ben Cussons, Jo Baker and Peter Read for their work on our Investment Sub-Committee, tasked with ensuring that despite the economic uncertainties of the year gone by the Royal Automobile Club's generous endowment continues to generate the returns that fund the Foundation's activities. They have been particularly active in challenging our fund managers on their attitude to so-called ESG reporting (environment, social value and governance) which has grown greatly in importance for assessing the long-term sustainability of investment opportunities.

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

**CHAIRMAN'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

To close my report there are two more things deserving of mention. The first is that with the Foundation's major Road Collision Investigation Project beginning to draw to a close (the final report will be published in 2022), the Government was sufficiently persuaded by the evidence and analysis generated thus far to launch a consultation in October 2021 on establishing a Road Collision Investigation Branch. This is a major feather in the Foundation's cap and a testament to a great deal of hard, collaborative work between the Foundation team, the police, officials – including those from the existing accident investigation branches - and consultants commissioned as part of the exploratory work.

And on the subject of feathers in caps, it was a pleasure in November to see the Foundation recognised as a joint recipient of a Prince Michael of Kent International Road Safety award, alongside the Transport Department and the Road Safety Foundation, for its part in bringing the £100m Safer Roads Fund into existence to improve the safety of some of the most dangerous stretches of A roads in England. The award cited the project as a “fine example of collaboration” and the creation of the Fund itself as an “outstanding achievement”.

As 2022 gets underway there are still many issues to be tackled – vehicle emissions, improving safety, and coping with sky-high fuel prices to name but three – and I look forward to the Foundation continuing to play its part, working collaboratively to deliver more outstanding achievements.



Professor Neville Jackson
Chairman

3rd May 2022

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021. 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, sometimes 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, the Foundation also seeks to bring other relevant research material to the notice of those involved in the development of 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 involves briefing journalists and appearing in the media, including specialist journals, and 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 Department for Levelling Up, Housing and Communities, and National Highways, with professional bodies and associations such as the Association of Directors of Economy, Environment, Planning and Transport and the Chartered Institute of Highways and Transport, and trade associations including the Society of Motor Manufacturers and Traders and the British Vehicle Rental and Leasing Association. 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 for the Foundation to explore, inform and promote policies that will get people and goods where they need to be, when they need to be there, in safety, affordably, with minimum environmental impact.

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

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

Achievements and performance

In pre-Covid times a good deal of Foundation activity involved face-to-face meetings and travel to take part in conferences and events. But since the end of March 2020 the Foundation team has been predominantly working from home, meeting together in the Pall Mall office no more than once a fortnight (when Government rules allowed). Similarly, the Foundation's contacts in other organisations were rarely either hosting or attending in-person meetings. So, it is gratifying for us to record that despite these difficulties the Foundation has continued to engage with, inform and influence the debate on motoring, be that on-line or through in-person events when they began to return as the year drew to a close.

Importantly we note that the Foundation staff reached the end of the year in good physical and mental health, and we were happy to congratulate Dr Ivo Wengraf and his partner on the birth of their son, Oscar, in August. Whilst on staff matters we also wished analyst Emily Nagler well as she departed the Foundation in September to start a new job in Stockholm. Emily left having produced, amongst other things, a substantial report on various aspects of parking, *Standing Still*¹, which updated previous Foundation work, and found many things hadn't changed since 2012's *Spaced Out*, including the statistic that the average car or van in England is driven just 4% of the time (a figure that has barely changed in quarter of a century), that for the rest of the time that car or van is either parked at home (73%) or parked elsewhere (23%), for example at work, and that with 18 million (65%) of Britain's 27.6 million households having – or with the potential to have – enough off-street parking to accommodate at least one car or van there is a huge opportunity for charging electric vehicles at home.

Unfortunately, the Foundation's attempt to recruit to backfill Emily's post was unsuccessful – the market for skilled data analysts is becoming ever more competitive and it is to be hoped that a further recruitment exercise in 2022 pays dividends.

In terms of reports, the year began with the Foundation's annual highway bridge condition survey, undertaken in partnership with the Association of Directors of Economy, Environment, Planning and Transport, and closed with a report that documented the Foundation's partnering with the Royal Automobile Club for a project run by WhiteWillow Consulting to equip the three Club cars participating in the annual RM Sotheby's London to Brighton Veteran Car Run with equipment making them the world's oldest 'connected cars', enabling course specific information to be supplied to the drivers, including real-time alerts, and enabling information on their progress to be fed back². Through the year the Foundation continued to update the many data feeds and factsheets hosted on its website, including those on fuel prices, local authority parking income, the take-up of plug-in vehicles and the roll-out of local authority clean air zones.

Some of the Foundation's external contractors continued to suffer from the impacts of Covid – either personally or through constraints that held-up projects that required volunteers to participate in person - which meant some projects slowing from their original timescales though not to their long-term detriment.

Although as noted below in the Financial Review income from the Foundation's invested endowment was sustained, the decision to hold back on commissioning new work in 2020 meant fewer commissioned projects than in other years being taken forward or reporting in 2021. However, significant progress was made on the Road Collision Investigation Project (by far the largest project the Foundation has undertaken in terms of budget and duration) with the benefit of c. £800,000 of grants from the Department for Transport and National Highways, so

¹ *Standing Still*, July 2021

² *Looking to the future by connecting to the past*, December 2021

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

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

much so that in October Roads Minister Baroness Vere launched a consultation on creating a Road Collision Investigation Branch. The persuasive factors were not just the emerging evidence and analysis to populate an outline business case to do so, but the fact that synergies were identified with the emerging findings from the Law Commissions' work to propose a legal framework to accommodate fully and partially automated driving. The fact that the Foundation team had established a good working relationship with the Law Commissions meant that the join-up – that if a specialist investigative unit were to be established for automated driving then why not nest that within a unit with a more general investigative function? – was quickly spotted and used to build what, at the time of writing this report, appears to have been a compellingly persuasive case.

We were delighted that the work of the Foundation was recognised as part of the team winning a Prince Michael of Kent International Road Safety award in November, a particular pleasure since His Royal Highness is the Royal Patron of the Royal Automobile Club. The RAC Foundation, the Road Safety Foundation and the Department for Transport were the joint winners for their “fine example of collaboration” and the “outstanding achievement” of the £100 million Safer Roads Fund, established following a successful pathfinder programme delivered by the Road Safety Foundation and commissioned and financially supported by the RAC Foundation and the Department for Transport. The Safer Roads Fund programme is focused on treating the 50 highest risk local A road sections in England with remedial road safety engineering interventions. Together the Safer Roads Fund schemes are set to prevent around 1,450 fatal and serious injuries over the next 20 years.

Once again, the Foundation was pleased to promote the work of Transport for New Homes – on whose steering board the Foundation's Director sits – highlighting the risk of making residents of new housing developments car dependent. The Foundation has a track record of highlighting the downsides of building-in car dependency, whilst still noting the benefits that cars bring - the Foundation has previously observed that the private car with a single occupant is far from being the best choice for all trips particularly in terms of the wider environmental and congestion impacts that can create. The key, in achieving net zero carbon and improved air quality is in part to be found in technology and in part in enabling people to choose the right mode for the right trip, whether that be a zero-tailpipe emission car, an electric micro-scooter for hire, or a hydrogen-fuelled bus.

Over the summer and autumn the Foundation's analysts were hard at work on modelling the likely implications of the transition to zero-tailpipe emission cars in terms of a decline in fossil fuel sales and fuel duty income to the Treasury. The analysis, ably led by Doreen Lam, went through several refinements and iterations following debate and discussion with numerous stakeholders before publication in January 2022³. With c. £27 billion at stake the question of what might best take the place of fuel duty in the medium to long term is highly relevant to the future economics of motoring, and potentially to policy-makers' eternal fascination with the scope for 'demand management'.

Much Foundation activity involves engagement away from publications and the media, and 2021 saw considerable team input into issues such as the work to create a new code of practice for the management of private parking, published by the Department for Levelling Up early in 2022, an on-line look-up service allowing motorists to check the compatibility of their vehicle with E10 petrol hosted by Zemo, and to pick just a few other working groups and committees: the Electric Vehicle Energy Task Force, the Transport Technology Forum, the Road Safety Trust's Road Safety Champions meetings and the Centre for Connected and Autonomous Vehicles' AV-Drive Working Group. Through the year members of the Foundation gave evidence in writing and in-person to several Parliamentary Select Committee inquiries and All-Party Parliamentary Groups. The Foundation was also pleased to provide input to the RAC Motoring Services' *Annual Report on Motoring*.

Sadly, another year has passed where we were not able to co-host the Foundation's annual Winter Reception, which we have run jointly with RAC Motoring Services and the Royal Automobile Club for many years. This is

³<https://www.racfoundation.org/research/economy/fuel-duty-decline-a-technical-ote?msclkid=55c314e2ac5211ec97e3331cb1a4e5f9>

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

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

usually our opportunity to thank the many people we have worked with throughout the previous 12 months. We volunteer our thanks to them, nonetheless, and hope that we're able to see them in person in 2022.

For us at the Foundation, as with everyone else in the country, 2021 turned out to be another year of unprecedented upheaval, but again it was a year where the Foundation continued to produce innovative, well evidenced and, we believe, useful material. We are only too well aware that the Foundation's ability to do so owes much to the financial stability it enjoys thanks to the Royal Automobile Club's endowment, and in writing this report our thoughts are, as last year, with those for whom, professionally and personally, the year was far, far harder than ours.

Future plans

Looking at the Foundation's working practices it looks increasingly unlikely that the team will return to the pre-pandemic routine of office working most days. Much of the Foundation's in-house activity can be undertaken on-line, and while face-to-face meetings have re-started at the end of 2021 many conferences, seminars and workshops are still being run as virtual events. That will ultimately have implications for the London office space that the Foundation occupies, which will be the subject of discussion with the Royal Automobile Club as it too reviews its requirements for its back office teams. The Foundation will continue to invest in the professional development of the Foundation staff, in particular through various on-line training opportunities and conferences.

As in previous years, the Foundation will continue to seek out fresh data sets, opportunities for joint working with other organisations to reach a broader audience, including professional institutions, member organisations and the higher education sector, and the scope to make the most of its internal analytical capabilities. We expect no let-up in interest in issues such as carbon reduction, the promotion of improved air quality, the desire to improve road safety and, as the vehicle parc moves away from fossil fuels, debate about what, if anything, should take the place of fuel duty income for the Treasury.

2022 will be the year where the Foundation publishes the final report of the Road Collision Investigation Project, and it also marks the 20th anniversary of *Motoring Towards 2050*, the 2002 study that in many ways established the Foundation's credentials as an analysis and data-led contributor to thinking about motoring and its place in the mix of mobility options that support our lifestyles and our economic health, and an anniversary the Foundation will be looking to mark with events through the year.

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, specifically for the Road Collision Investigation Project, with a grant from the Department for Transport, and for the Road Traffic Injury Analytics project with a grant from the FIA, both made in 2018. Further grant funding for the Road Collision Investigation Project came in from Highways England in 2020 and 2021.

In the Statement of Financial Activities on page 16, income from half the investment portfolio is received in the form of dividends and interest (£443,085). 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 14 as the transfer of £486,000 from the Expendable endowment to the Unrestricted reserves.

The net gain on investments in the year was £3,475,865 contributing to a total net movement of funds in the year of £2,905,060.

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

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 2021 was valued at £32,602,731, a gain of £2,845,864 over the year.

Taking one year with another, despite the ongoing turbulence in investment markets in 2021 and some continued uncertainty looking ahead, the Trustees are nevertheless 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 funds given for particular purposes within the Foundation's objects and stands at £84,147 (2020: £121,120) 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 £4,190,147 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-year.

In 2017 the Trustees, on advice from the Investment Sub-Committee, re-invested the expendable endowment equally between two 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.

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.

The Trustees closely monitored the actions of the two fund managers and drew advice from Barnett Waddingham on their performance relative to the broader market through the turbulence of 2020 and 2021. On balance they were satisfied that the combined investment performance of the two fund managers was sufficient to support a sustained operating budget for the Foundation through the year.

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

It is possible that the impact of coronavirus may necessitate further action by the Trustees depending on the impact it has on the value of the endowment and income earned in 2022, which in turn will be affected by the pace of

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

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

economic recovery once the various lockdown measures applied around the world are relaxed, but also by the tragic events unfolding in the Ukraine at the time of writing.

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.

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.

There was no change to the make-up of the Board of Trustees in 2021.

With the approval of the Trustees, as cleared with the Charity Commission, the Chairman receives £30,000 fees per annum for advisory services.

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), Jo Baker and Peter Read, with the Foundation's director as secretary, and is 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 proformas 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.

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

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Risk Management

The Trustees reviewed the Foundation risk register routinely as part of the review of the Director's report which is provided – updated - for each of the regular Trustee meetings, updated and presented to each of the Trustee meetings through the year. The register highlights five key risks and associated mitigations (reputational risk e.g. arising from challenge to the accuracy of Foundation output); staff turnover; financial viability; interruption of service e.g. IT system failure; and relevance of Foundation output. The Trustees also keep under review whether additional risk merit inclusion in the review.

Through 2021 two risks rose to become issues. Emily Nagler's departure in the Autumn created a vacancy but the recruitment exercise we ran in early Summer did not result in anyone being appointed and so we were one person down – we took a conscious decision to carry the vacancy through to Spring 2022 to have the best chance of recruiting a replacement from our most promising market: masters students due to graduate in 2022. In practice we managed the workload between us, Emily having completed her own major projects before leaving. Second, we did have some IT issues, which included the Director's LinkedIn account being hacked, but we were able to identify workarounds, and the Club IT team quickly tackled the hacking issue with new security software - aside from a fake message being sent from the Director's LinkedIn account no further damage was found.

Looking ahead, recruitment and business continuity risk continue to loom largest but at the time of writing we are hopeful that a fresh recruitment exercise will pay off, and a more substantial work-around has been developed to allow the analysts to work safely on very large datasets outside the Club's systems.

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 by the Foundation as a custodian trustee on behalf of others.

The Foundation has worked in partnership with various other bodies to run events during the year, including Highways UK and PA Consulting.

Despite the historical association between the Royal Automobile Club, the RAC Motoring Services Company and the Foundation – and the fact that the three seek to co-operate with each other (e.g. in sharing data and providing input to the Club's Motoring Committee) the Trustees do not consider either the Royal Automobile Club or the RAC Motoring Services business to constitute 'related parties' for accounting purposes.

Fundraising

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their activities. The charity does not actively raise funds or solicit donations directly from the general public. The Charity does not work directly with commercial sponsors in relation to fundraising. The Trustees are not aware of any complaints made in respect of fundraising during the period

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).

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

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

Statement as to disclosure to our auditors

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

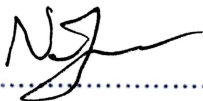
- there is no relevant information of which the charitable company's auditor is unaware, and
- the Trustees have each taken all steps that they are obliged to take as a trustee in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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



**Neville Jackson
Chairman**

3rd May2022

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of Royal Automobile Club Foundation for Motoring Limited for the year ended 31 December 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The 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.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.
We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 Report of the Trustees and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on pages 10 and 11, 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

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 regulations made under 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charitable company's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charitable company by discussions with management and updating our understanding of the sector in which the charitable company operates.

Laws and regulations of direct significance in the context of the charitable company include The Companies Act 2006, and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charitable company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

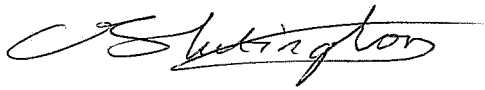
**ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Cara Turtington (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 20 June 2022

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 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2021 Total £	2020 Total £
Income from						
Investments	2	443,085	-	-	443,085	432,834
Grants		-	136,776	-	136,776	138,867
Total Income		443,085	136,776	-	579,861	571,701
Expenditure on:						
Raising funds		-	-	162,001	162,001	150,179
Charitable activities	3	814,916	173,749	-	988,665	1,063,323
Total Expenditure		814,916	173,749	162,001	1,150,666	1,213,502
Net gain on investments	8	-	-	3,475,865	3,475,865	806,856
Net (deficit)/income for the year		(371,831)	(36,973)	3,313,864	2,905,060	165,055
Transfers between funds	11	468,000	-	(468,000)	-	-
Net movement in funds		96,169	(36,973)	2,845,864	2,905,060	165,055
Reconciliation of funds:						
Total funds brought forward		4,093,978	121,120	29,756,867	33,971,965	33,806,910
Total funds carried forward		4,190,147	84,147	32,602,731	36,877,025	33,971,965

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 19 to 29 form part of these financial statements.

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

**BALANCE SHEET
31 DECEMBER 2021**

	Note	2021 £	2020 £
Fixed Assets			
Tangible fixed assets	7	-	328
Investments	8	36,743,077	33,922,706
		<u>36,743,077</u>	<u>33,923,034</u>
Current Assets			
Debtors	9	35,094	33,797
Cash at bank and in hand		387,227	369,236
		<u>422,321</u>	<u>403,033</u>
Creditors: Amounts falling due within one year	10	<u>(288,373)</u>	<u>(354,102)</u>
Net current assets		133,948	48,931
Net Assets		<u><u>36,877,025</u></u>	<u><u>33,971,965</u></u>
Funds			
Unrestricted funds	11	4,190,147	4,093,978
Restricted funds	12	84,147	121,120
Expendable endowment funds	13	32,602,731	29,756,867
		<u>36,877,025</u>	<u>33,971,965</u>

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

The notes on pages 19 to 29 form part of these financial statements.

The financial statements were approved by the Trustees on *3 May* 2022


.....
N Jackson
Chairman


.....
J Baker
Trustee

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Net cash used in operating activities	17	(994,052)	(952,969)
<u>Cash flows from investing activities</u>			
Purchases of investments		(2,597,388)	(2,675,514)
Proceeds from disposal of investments		2,801,840	2,957,614
Investment income received		443,085	432,551
Withdrawal from endowment		468,000	334,000
Net cash from investing activities		<u>1,115,537</u>	<u>1,048,651</u>
Net increase in cash & cash equivalents		121,485	95,682
Cash and cash equivalents at the beginning of the year		616,920	521,238
Cash and cash equivalents at end of the year	17,18	<u><u>738,405</u></u>	<u><u>616,920</u></u>

The notes on pages 19 to 29 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 2021**

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.

Based on the value of the expendable endowment funds, 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 £1,000 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 2021**

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 2021**

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.

2. Investment income	2021	2020
	£	£
Dividends and interest receivable on fixed asset investments	443,061	432,551
Bank interest receivable	24	283
	<u>443,085</u>	<u>432,834</u>
3. Charitable activities	Total	Total
	2021	2020
	£	£
Staff Costs	552,007	539,226
Direct Costs	216,046	276,927
Support Costs	214,462	241,020
Governance costs (note 4)	6,150	6,150
	<u>988,665</u>	<u>1,063,323</u>
4. Governance costs	Total	Total
	2021	2020
	£	£
Audit fees	6,150	6,150
	<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 2021**

5. Staff costs and advisor fees	2021	2020
	£	£
Wages and salaries	476,196	470,613
Social security costs	51,102	53,179
Employer's pension costs	24,709	15,434
	<u>552,007</u>	<u>539,226</u>
Number of employees with total remuneration between:	2021	2020
	Number	Number
£70,000 - £79,999	2	2
£180,000 - £189,999	-	1
£190,000-£199,999	<u>1</u>	<u>-</u>

Contributions of £15,813 (2020: £13,060) 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:

	2021	2020
	£	£
David Bayliss	-	5,250
Joe Greenwell	-	9,000
Neville Jackson	30,000	22,500

At 31 December 2021 there were no amounts owing in respect of the above adviser's fees (2020: £7,500 owed to Neville Jackson).

No expenses were either reimbursed to or paid directly on behalf of Trustees during the year (2020: no expenses).

The key management personnel of the Foundation comprise the Trustees and the Director. The total cost to the Charity of the key management personnel, including any relevant pension contributions, but excluding payments made to specialist advisors noted above, were £218,615 (2020: £209,522).

Staff numbers

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

	2021	2020
	Number	Number
Director	1	1
Campaigns and research	6	6
	<u>7</u>	<u>7</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6.	Net movement in funds for the year	2021	2020
		£	£
	This is stated after charging:		
	Depreciation	328	2,995
	Auditors' remuneration - for audit	7,775	7,100
	Auditors' remuneration - for other services	5,575	7,312
		<u>5,575</u>	<u>7,312</u>
7.	Tangible fixed assets		Office equipment £
	Cost		
	At 1 January and 31 December 2021		33,698
	Depreciation		
	Brought forward 1 January 2021		33,370
	Charge for year		328
	Carried forward 31 December 2021		<u>33,698</u>
	Net book value		
	as at 31 December 2021		<u>-</u>
	as at 31 December 2020		<u>328</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Investments	2021	2020
	£	£
Managed and unitised funds		
Market value at 1 January	33,675,019	33,562,733
Additions at cost	2,597,388	2,675,514
Disposals	(2,801,839)	(2,957,614)
Investment (loss)/gains	3,475,865	806,856
Withdrawal from endowment portfolio	(468,000)	(334,000)
Investment managers fees	(86,536)	(78,467)
Market value at 31 December	<u>36,391,898</u>	<u>33,675,022</u>
Investment cash	351,178	247,684
Total Investments as at 31 December	<u>36,743,077</u>	<u>33,922,706</u>
Historical cost	<u>29,378,746</u>	<u>29,578,643</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.

	2021		2020	
	Cost	Market	Cost	Market
	£	Value	£	Value
		£		£
Fixed Interest				
United Kingdom	2,231,486	2,152,821	2,347,269	2,368,052
Overseas	361,500	386,648	306,981	314,505
Equities				
United Kingdom	4,107,221	5,231,397	4,486,895	4,952,196
Continental Europe	672,485	1,132,995	672,591	973,050
North America	3,001,531	4,472,882	2,663,519	3,579,795
Japan	346,831	401,445	348,530	392,640
Far East	577,849	902,491	577,849	893,362
Global	385,915	497,916	493,189	569,727
Emerging Economies	288,693	331,449	288,753	352,578
Money Market Instruments	200,000	200,000	-	-
Property	1,255,211	1,405,699	1,222,455	1,253,485
Alternatives	15,950,024	19,276,155	15,922,925	18,025,629
Total	<u>29,378,746</u>	<u>36,743,077</u>	<u>29,578,643</u>	<u>33,922,706</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Debtors

	2021	2020
	£	£
Interest and dividends receivable	22,742	23,957
Prepayments	12,352	9,840
	<u>35,094</u>	<u>33,797</u>

10. Creditors

	2021	2020
	£	£
Accruals and other creditors	288,373	354,102
	<u>288,373</u>	<u>354,102</u>

11. Unrestricted Funds

	2021	Income	Expenditure	Transfer	2021
	Opening	£	£	£	Closing
	£	£	£	£	£
Unrestricted Funds	<u>4,093,978</u>	<u>443,085</u>	<u>(814,916)</u>	<u>468,000</u>	<u>4,190,147</u>
	2020	Income	Expenditure	Transfer	2020
	Opening	£	£	£	Closing
	£	£	£	£	£
Unrestricted Funds	<u>4,253,082</u>	<u>434,925</u>	<u>(928,029)</u>	<u>334,000</u>	<u>4,093,978</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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Restricted Funds

	2021				2021
	Opening	Income	Expenditure	Transfer	Closing
	£	£	£	£	£
Road Collision fund	121,120	125,000	(161,973)	-	84,147
Pre-driver Theatre and Workshop fund	-	11,776	(11,776)	-	-
	<u>121,120</u>	<u>136,776</u>	<u>(173,749)</u>	<u>-</u>	<u>84,147</u>
	2020				2020
	Opening	Income	Expenditure	Transfer	Closing
	£	£	£	£	£
Road Collision fund	119,638	125,000	(123,518)	-	121,120
Pre-driver Theatre and Workshop fund	-	11,776	(11,776)	-	-
	<u>119,638</u>	<u>136,776</u>	<u>(135,294)</u>	<u>-</u>	<u>121,120</u>

The Road Collision fund represents money received 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.

13. Expendable Endowment Funds

	2021				2021
	Opening	Expenditure	Gains	Transfer	Closing
	£	£	£	£	£
	<u>29,756,867</u>	<u>(162,001)</u>	<u>3,475,865</u>	<u>(468,000)</u>	<u>32,602,731</u>
	2020				2020
	Opening	Expenditure	Gains	Transfer	Closing
	£	£	£	£	£
	<u>29,434,190</u>	<u>(150,179)</u>	<u>806,856</u>	<u>(334,000)</u>	<u>29,756,867</u>

Included within the endowment fund balance is a revaluation reserve of £7,364,331 (2020: £4,344,063).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Analysis of net assets between funds

2021	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible fixed assets	-	-	-	-
Investments	4,140,346	-	32,602,731	36,743,077
Current assets	338,174	84,147	-	422,321
Liabilities	(288,373)	-	-	(288,373)
Balance at 31 December 2021	<u>4,190,147</u>	<u>84,147</u>	<u>32,602,731</u>	<u>36,877,025</u>

Analysis of net assets between funds

2020	Unrestricted Funds	Restricted Funds	Endowment Funds	Total
	£	£	£	£
Tangible fixed assets	328	-	-	328
Investments	4,165,839	-	29,756,867	33,922,706
Current assets	281,913	121,120	-	403,033
Liabilities	(354,102)	-	-	(354,102)
Balance at 31 December 2020	<u>4,093,978</u>	<u>121,120</u>	<u>29,756,867</u>	<u>33,971,965</u>

15. Related parties

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

17. Reconciliation of net movement in funds to net cash flow from operating activities

	2021	2020
	£	£
Net movement in funds	2,905,060	165,055
Add back depreciation charge	328	2,995
Add back Pictet investment manager fee	86,536	78,467
Deduct investment income	(443,085)	(432,551)
Gain on investments	(3,475,865)	(806,856)
(Increase)/decrease in debtors	(1,297)	(779)
Increase/(decrease) in creditors	(65,729)	40,700
Net cash used in operating activities	<u>(994,052)</u>	<u>(952,969)</u>

18. Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	387,227	369,236
Cash with investment manager	351,178	247,684
	<u>738,405</u>	<u>616,920</u>

19. Analysis of changes in net debt

	At 1 January 2021	Cashflows	At 31 December 2021
	£	£	£
Cash at bank and in hand	369,236	17,991	387,227
Cash with investment manager	247,684	103,494	351,178
	<u>616,920</u>	<u>121,485</u>	<u>738,405</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Comparative statement of financial activities

	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2020 Total £
Income from				
Investments	432,834	-	-	432,834
Grants	2,091	136,766	-	138,867
Total Income	434,925	136,677	-	571,701
Expenditure on:				
Raising funds	-	-	150,179	150,179
Charitable activities	928,029	135,294	-	1,063,323
Total Expenditure	928,029	135,294	150,179	1,213,502
Net gains on investments	-	-	806,856	806,856
Net (loss)/income for the year	(493,104)	1,482	656,677	165,055
Transfers between funds	334,000	-	(334,000)	-
Net movement in funds	(159,104)	1,482	322,677	165,055