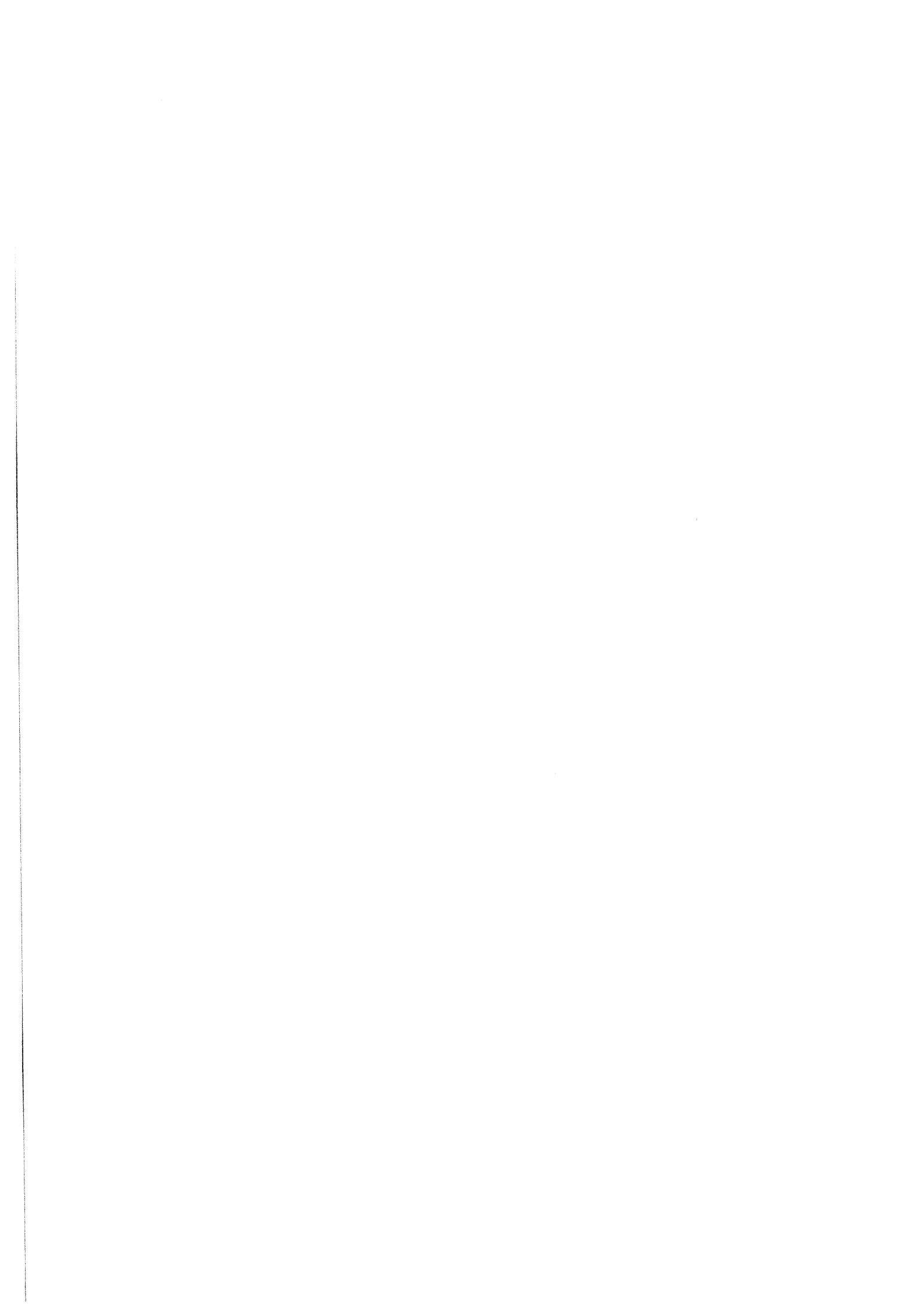


Company Registration No. 2596548 (England and Wales)
Charity No. 1002705

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED
(BY GUARANTEE)

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2023



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

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ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

LEGAL AND ADMINISTRATIVE INFORMATION

Board of Trustees	Professor N Jackson, Chairman Ms J Baker Mr B Cussons Mr D Hobday Mr S Kollamthodi Mr P Maley
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 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	Pictet Asset Management Moor House 120 London Wall London EC2Y 5ET Cazenove Capital 1 London Wall Place London EC2Y 5AU

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

CHAIRMAN'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

In some ways 2023 was a mixed year for the Royal Automobile Club Foundation For Motoring Limited (RAC Foundation). The team were busy throughout, maintaining a high quality output of research and analysis including, in particular, data-rich analysis to determine whether it will be necessary to reduce individual car mileage in order to meet the Climate Change Committee's sixth carbon budget trajectory for carbon emissions (signalling the huge scale of change needed to cut car tailpipe emissions by moving motoring away from petrol and diesel drivetrains).

But there were frustrations too, with the Government's decision to drop the proposed Modern Transport Bill, which had been expected to contain the powers needed to establish a Road Safety Investigation Branch, in favour of a much more targeted Bill solely focused on automated driving, and the continuing delay to implementation of the framework to regulate private parking, long advocated by the Foundation, under powers that received Royal Assent back in 2019 on the back of solid cross-party support in Parliament. The Foundation will continue to make the case for both initiatives, seeking opportunities to add to the evidence-base for change where possible.

The Foundation's collaborative work with the road safety analysts at Agilysys shone a spotlight on the real nature of rural road risk, work with Unison illustrated not just that the tax treatment of compensation for drivers using their own vehicles in the course of work had fallen behind the times but that those most likely to be out of pocket due to inflation in motoring costs were those key workers on relatively low pay and so least able to afford it. Other reports focused on young people's attitudes towards motoring and ways of tackling the barriers to securing greater benefits from our ever more 'connected' cars. And the Foundation maintained its data series, including fuel costs, local authority parking revenues, highway bridge condition, and added a new Green Fleet Index tracking the upward trend in motoring miles by electric, zero tailpipe emission, cars.

The Trustees were delighted to congratulate head of research Liz Box on being awarded her doctorate, the product of a great deal of hard work on her part, whilst noting the challenges the Foundation faces in attracting and retaining analytical talent with data science skills being in ever greater demand from employers.

The Foundation owes a great debt of gratitude to my fellow Trustees for their enthusiastic support and constructive challenge throughout the year, in particular to Ben Cussons, Jo Baker and Paul Maley for their work on the Investment Sub-Committee, ensuring that despite the turbulence of the investment market the Royal Automobile Club's generous endowment continues to generate the returns that fund the Foundation's activities.

I would also like to thank the members of our advisory Public Policy Committee, who not only bring their own knowledge and experience to the table but also provide the Foundation with access to a valuable broader network of contacts.

Looking at the many challenges ahead in maintaining personal mobility, supporting the economy, protecting the environment and promoting improved safety the Trustees' ambition is for the Foundation to continue to bring its informed, authoritative, and, above all, data-driven voice to the debate on motoring now and in the future.

Professor Neville Jackson
Chairman



.....22nd April 2024

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023. 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 motoring, 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 2023

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

The Foundation published a number of research reports in 2023. Amongst the most significant were the analysis on whether it would be necessary to reduce car mileage to meet national carbon emission goals as expressed by the Climate Change Committee¹, the answer being not absolutely necessary, however the analysis showed that staying within the carbon ceiling for car tailpipe emissions implicit in the 6th carbon budget to be incredibly hard without a dramatic swing away from petrol/diesel. This work suggests that the policy focus should be on the extent to which electric cars replace the driven miles that would otherwise be done by petrol/diesel models (not just on electric vehicle take-up). The report also noted that the average age of the vehicle parc was increasing, which would, unabated, keep more petrol/diesel cars in routine use for longer.

This analysis has been widely picked up in the debate about measures needed to ensure the transport contribution toward achieving net zero is met. Further, the Foundation launched a new Green Fleet Index² tracking progress and keeping the issue in view.

The Foundation also published work by Agilysis to explore a better way for categorising 'rural' roads – the present DfT statistical definition being essentially a catch-all for roads that could not be considered 'urban'. In 2021, there were 1,558 reported road deaths in Great Britain, 981 of them on so-called rural roads. However, 649 (66%) of the 981 rural road deaths occurred not on twisting country lanes but on motorways (86 deaths) and A roads (563 deaths). Hence the report is intended to lead to better informed road safety approaches based on a better understanding of road risk.

The Foundation's work with UNISON, on the compensation people get for driving their own vehicles in the course of work, was a new opportunity for joint activity drawing attention to the implications of motoring costs for key workers. While the tax-free amount drivers can receive for work-related motoring has not changed for more than a decade Office for National Statistics data suggests the cost of motoring had risen by 41% which Foundation analysis revealed would require a hike in entitlement from 45p to 63p per mile tax free compensation. The findings attracted considerable coverage and has become a campaign issue for the union, in particular for its legion of relatively low-paid key-worker members³.

The Foundation often seeks to build on previously commissioned research, an example being WhiteWillow consulting followed up its previous report on connected motoring with a close look at how to address the financial challenges of making a step-change in progress on the development and deployment of connected services – specifically the mis-matching of 'who benefits?' with 'who pays?'. Services that improve road safety or reduce emissions deliver a societal benefit hard to recoup from a direct charge to drivers, in the same way road signs are not directly funded by the people relying on them. Hence, not all services have a clear, commercial revenue stream. But the report makes clear that the solution isn't just about the traditional plea for ever-more funding – it is about the way funding could move away from a myriad of trials toward connected-vehicle data becoming a routine, integral part of improved highway management⁴, a message the Foundation will be continuing to pursue with policy makers and highway authorities.

¹ <https://www.racfoundation.org/research/environment/is-it-necessary-to-reduce-car-mileage-to-meet-our-carbon-emission-goals>

² <https://www.racfoundation.org/data/green-fleet-index>

³ <https://www.racfoundation.org/media-centre/drivers-out-of-pocket-for-using-their-own-cars-at-work>

⁴ <https://www.racfoundation.org/research/mobility/driven-by-information-revisited>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Less welcome was the stalled progress on the creation of a road collision investigation branch, which was caught up with the slimming of the government's legislative programme after the resignation of three Prime Ministers in succession with only provisions relating to automated driving surviving the cut. It is to be hoped that space will be found in the legislative programme of the new government after the general election in 2024. Similarly, progress turned out to be achingly slow on the implementation of the private parking regulatory framework, where problems at the Department for Levelling Up, Housing and Communities led to delays dragging on into 2024 in getting the requisite consultation and regulatory impact assessment processes completed. The Foundation continues to press the case for progress through publication of data on the release of vehicle-keeper data to private parking companies.

On the staffing front the Trustees were delighted by the award of a doctorate to head of research Liz Box, whose PhD studies were sponsored by the Foundation, and published as a lighter version of her PhD thesis - *Empowering Young Drivers with Road Safety Education*⁵. Liz's report explains why road safety interventions should be based on research evidence and behavioural theory, dispelling the notion that 'shock and tell' tactics work with teenagers (and can be counterproductive, particularly amongst young men). Liz has subsequently presented her findings at conferences and has garnered considerable support for getting changes made to existing theatre-based events, in particular from the fire service.

The Foundation was sorry to see newly recruited analyst Jamil Nur depart after only five months but pleased that his move was prompted by successfully landing a role in his native Italy. Jamil made a positive contribution to the Foundation during his relatively brief tenure, in particular on the project to revisit previous Foundation work on the importance of driving as an employment qualification, and we wish him well in his future career.

The Foundation maintained the output of key data series, including the annual highway bridge condition survey, undertaken in partnership with the Association of Directors of Economy, Environment, Planning and Transport, fuel prices, local authority parking income, and the take-up of plug-in vehicles.

The Foundation team has been busy participating in an array of conferences, workshops and seminars around the country including, the Transport Technology Forum conferences (in Leeds and Birmingham), the National Highways Research & Innovation Advisory Board (Birmingham), Highways UK and Traffex/Parkex (both at the NEC), the Local Government Association annual conference (Bournemouth), the Automotive Fellowships International conference (Luton Hoo), as well as playing host to the annual Young Driver Focus conference at the Royal Automobile Club in Pall Mall, and the Motoring Debate, a panel discussion on the future role of the car promoted by the Rees Jeffreys Road Fund and the Royal Automobile Club. Participation in these events is valuable for spreading awareness of Foundation output, for staying abreast of the latest thinking and for making fresh connections, and in line with our public interest purpose to promote well-informed public policy development.

Our annual Winter Reception, which the Foundation has run jointly with RAC Motoring Services and the Royal Automobile Club for many years, was once again our opportunity to thank the many people the Foundation has worked with throughout the previous 12 months and this year to hear the emerging findings from some work the Foundation commissioned from Nottingham University about the challenges of the human-machine interface in a world of highly automated motoring, which will be published in 2024.

⁵ <https://www.racfoundation.org/research/safety/empowering-young-drivers-with-road-safety-education>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Future plans

The Foundation's working practices are kept under review – for the time being the team continues to work remotely with scheduled 'team days' in the office several days per month (rather than requiring individuals to attend in person for a set minimum number of days), a model that works well with the largely analytical nature of the Foundation's work. In 2024 the Foundation office in Pall Mall will relocate to new space on the ground floor of 83 Pall Mall, a downsize from its previous footprint, but still providing a useful permanent hub for the team. The Foundation will continue to invest in the professional development of the Foundation staff, in particular through various on-line training opportunities and attendance at 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 diminution of interest in motoring policy issues including 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, with considerable interest both in roads spending to maintain and improve the resilience of the network in the face of climate change, and the push-back against perceived 'anti-motoring' regulation which may prove to be a topic of political debate as the general election draws near.

2024 will be a year where the Foundation has a key role to play in building and improving awareness of the evidence base for informing motoring policy development as the political parties gear up for a general election in the Autumn.

2024 will see the publication of Foundation analysis on the importance of driving as an employment qualification, the adequacy of mobile signal coverage in a world of 'connected' motoring, and a look at the social and economic factors shaping the effectiveness of transport initiatives (in particular addressing car dependency) by comparing the UK experience with that in Germany. The Foundation also expects to build on the TRL project it funded jointly with the Rees Jeffreys Road Fund in 2023 that explored the social and economic consequences of progressive licensing as a way of helping young drivers develop their driving skills safely having passed their test. Young drivers are disproportionately likely to be involved in a crash, with pre-Covid data showing that almost a quarter (24%) of those killed or seriously injured on Britain's roads were in a collision involving a young driver (aged 17-24 years old) even though this age group makes up only about 7% of the total driving population and the Foundation's objective is to ensure that the evidence supporting a progressive licensing approach is widely promulgated and in the minds of policy-makers considering where next to go to make our roads safer.

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 in 2023 was grateful for the FIA grant funding which supported the Imperial College research led by Seema Yalamanchili to explore the potential for joining up datasets across health and police sources to better understand and plan for road risk, see Restricted Income section, below.

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

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

In the Statement of Financial Activities on page 16, income from half the investment portfolio is received in the form of dividends and interest was £719,869 (2022: £454,702). 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 16 as the transfer of £243,000 (2022: £486,000) from the Expendable endowment to the Unrestricted reserves.

The net gain/(loss) on investments in the year was £1,680,465 (2022: (£3,382,631)) contributing to a total net movement of funds in the year of £1,430,064 (2022: (£3,896,919))

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 2023 was valued at £29,985,630 (2022: £28,621,883), a gain/(loss) of £1,363,747 (2022: (£3,980,848)) over the year.

Taking one year with another, despite the ongoing turbulence in investment markets in 2023 relating to geo-political events in the Ukraine and Gaza and high inflation domestically, the Trustees are content that the value of the expendable endowment is being satisfactorily maintained so as to ensure the long-term viability of the Foundation without the need to seek further charitable donations.

Restricted income fund

This represents funds given for particular purposes within the Foundation's objects – specifically in 2023 the grant of €50,000.00 (£42,761.00) from the FIA which was transferred in full to Imperial College for completion of the Data Linkage in Road Safety project led by Seema Yalamanchili.

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 £4,424,540 (2022: £4,338,223) 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.

Following the market testing exercise conducted by the Investment Sub-Committee in 2022 the Trustees decided to transfer the Investec Wealth holding to the Cazenove Responsible Multi-Asset Fund, in order to meet their continued aim of spreading risk in an uncertain investment climate by investing with managers with different, complementary, investment strategies whilst securing a sufficient return to maintain the real value of the endowment and fund the Foundation's activities. The transfer was completed in 2023.

The Investment Sub-Committee monitored the fund managers' investment performance through the year, drawing on advice from Barnett Waddingham on their performance relative to the broader market, and reports at each full Trustee meeting on the current valuation and prospects for the future value of the endowment, and hence the affordability of the Foundation's budget.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

The Trustees were on balance satisfied that the investment performance of the endowment was sufficient to support a sustained operating budget for the Foundation through the year and for the planned expenditure in 2024.

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 investment managers and fund managers have previously confirmed that they regard this as a manageable approach, consistent with the Trustees' stated investment objectives.

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.

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 Paul Maley, 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) – an informal panel comprising individuals who the Trustees have invited 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.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Office administration

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

Risk Management

The Trustees reviewed the Foundation risk register routinely as part of the review of the Director's report which is 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 risks merit inclusion in the review.

Through 2023 Trustees had particular regard to three risks - the resourcing risk (created by the departure of analyst Doreen Lam at the start of the year and subsequent departure of her replacement, Jamil Nur, in the Autumn); the reliance of the Foundation on IT support for extensive remote, largely home-based, working; and on the relevance of the Foundation's work in relation to the achievement of its charitable objectives. The Trustees concluded that all were being managed satisfactorily.

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 the Rees Jeffreys Road Fund, the Royal Automobile Club 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 or subsequent to the period of this Report.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

REPORT OF THE TRUSTEES (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Trustees' Responsibilities Statement

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

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Auditors

A resolution to reappoint Saffery 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



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Neville Jackson
Chairman

22nd April 2024

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 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, 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.

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

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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 trustees 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.

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.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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 LLP
Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 22 April 2024

Saffery 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 2023**

	Note	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2023 Total £	2022 Total £
Income from						
Investments	2	719,869	-	-	719,869	454,702
Grants		-	39,684	-	39,684	26,970
Total Income		719,869	39,684	-	759,553	481,672
Expenditure on:						
Raising funds		-	-	82,718	82,718	130,217
Charitable activities	3	867,552	59,684	-	927,236	865,743
Total Expenditure		867,552	59,684	82,718	1,009,954	995,960
Net gain/(loss) on investments	8	-	-	1,680,465	1,680,465	(3,382,631)
Net (deficit)/ income for the year		(147,683)	(20,000)	1,597,747	1,430,064	(3,896,919)
Transfers between funds	11	234,000	-	(234,000)	-	-
Net movement in funds		86,317	(20,000)	1,363,747	1,430,064	(3,896,919)
Reconciliation of funds:						
Total funds brought forward		4,338,223	20,000	28,621,883	32,980,106	36,877,025
Total funds carried forward		4,424,540	-	29,985,630	34,410,170	32,980,106

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 30 form part of these financial statements.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**BALANCE SHEET
31 DECEMBER 2023**

	Note	2023 £	2022 £
Fixed Assets			
Tangible fixed assets	7	-	-
Investments	8	34,469,500	32,742,757
		<u>34,469,500</u>	<u>32,742,757</u>
Current Assets			
Debtors	9	23,333	31,822
Cash at bank and in hand		175,550	590,667
		<u>198,883</u>	<u>622,489</u>
Creditors: Amounts falling due within one year	10	<u>(258,213)</u>	<u>(385,140)</u>
Net current assets		(59,330)	237,349
Net Assets		<u><u>34,410,170</u></u>	<u><u>32,980,106</u></u>
Funds			
Unrestricted funds	11	4,424,540	4,338,223
Restricted funds	12	-	20,000
Expendable endowment funds	13	29,985,630	28,621,883
		<u>34,410,170</u>	<u>32,980,106</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 30 form part of these financial statements.

The financial statements were approved by the Trustees on *22nd April* 2024



.....
N Jackson
Chairman



.....
B Cussons
Trustee

Company Registration No. 2596548 (England and Wales)

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Net cash used in operating activities	17	(1,010,207)	(797,175)
<u>Cash flows from investing activities</u>			
Purchases of investments		(1,241,870)	(16,599,511)
Proceeds from disposal of investments		1,078,711	16,316,930
Investment income received		716,496	468,109
Withdrawal from endowment		234,000	468,000
Net cash from investing activities		<u>787,337</u>	<u>653,528</u>
Net (decrease)/increase in cash & cash equivalents		(222,870)	(143,647)
Cash and cash equivalents at the beginning of the year		594,758	738,405
Cash and cash equivalents at end of the year	17,18	<u><u>371,888</u></u>	<u><u>594,758</u></u>

The notes on pages 19 to 30 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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 2023

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 2023

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	2023	2022
	£	£
Dividends and interest receivable on fixed asset investments	716,496	453,891
Bank interest receivable	3,373	811
	<u>719,869</u>	<u>454,702</u>

3. Charitable activities	2023	2022
	£	£
Staff Costs	550,958	535,182
Direct Costs	130,723	61,697
Support Costs	235,880	259,564
Governance costs (note 4)	9,675	9,300
	<u>927,236</u>	<u>865,743</u>

4. Governance costs	2023	2022
	£	£
Audit fees	9,675	9,300
	<u>9,675</u>	<u>9,300</u>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Staff costs and advisor fees	2023	2022
	£	£
Wages and salaries	475,391	457,471
Social security costs	49,752	52,163
Employer's pension costs	25,815	25,548
	<u>550,958</u>	<u>535,182</u>
Number of employees with total remuneration between:	2023	2022
	Number	Number
£60,000 - £69,999	1	-
£70,000 - £79,999	1	-
£80,000 - £89,999	-	2
£170,000 - £179,999	-	1
£190,000-£199,999	<u>1</u>	<u>-</u>

Contributions of £22,189 (2022: £16,324) 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:

	2023	2022
	£	£
Neville Jackson	30,000	30,000

At 31 December 2023 there were no amounts owing in respect of the above adviser's fees (2022: no amounts owed to Neville Jackson).

No expenses were either reimbursed to or paid directly on behalf of Trustees during the year (2022: 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 £220,063 (2022: £200,613).

Staff numbers

The average number of employees during the year was made up as follows:

	2023	2022
	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 2023**

6. Net movement in funds for the year	2023	2022
	£	£
This is stated after charging:		
Depreciation	-	-
Auditors' remuneration - for audit	9,675	9,300
Auditors' remuneration - for other services	4,270	4,100
	<u>4,270</u>	<u>4,100</u>
7. Tangible fixed assets		Office equipment £
Cost		
At 1 January and 31 December 2023		33,698
Depreciation		
Brought forward 1 January 2023		33,698
Charge for year		-
Carried forward 31 December 2023		<u>33,698</u>
Net book value		
as at 31 December 2023		<u>-</u>
as at 31 December 2022		<u>-</u>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

8. Investments	2023	2022
	£	£
Managed and unitised funds		
Market value at 1 January	32,738,666	36,391,899
Additions at cost	1,241,870	16,599,511
Disposals	(1,078,711)	(16,316,930)
Investment (loss)/gains	1,680,465	(3,382,631)
Withdrawal from endowment portfolio	(234,000)	(468,000)
Investment managers fees	(75,128)	(85,183)
Market value at 31 December	<u>34,273,162</u>	<u>32,738,666</u>
Investment cash	<u>196,338</u>	<u>4,091</u>
Total Investments as at 31 December	<u>34,469,500</u>	<u>32,742,757</u>
Historical cost	<u>32,166,197</u>	<u>31,626,541</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.

	2023		2022	
	Cost	Market	Cost	Market
	£	Value	£	Value
		£		£
Multi-asset funds	17,134,423	17,349,574	15,901,331	15,658,976
Property	-	-	1,112,198	1,104,207
Alternatives	14,835,437	16,923,588	14,608,921	15,975,483
Cash	196,338	196,338	4,091	4,091
Total	<u>32,166,197</u>	<u>34,469,500</u>	<u>31,626,541</u>	<u>32,742,757</u>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

9. Debtors

	2023	2022
	£	£
Interest and dividends receivable	-	-
Prepayments	23,333	31,822
	<u>23,333</u>	<u>31,822</u>

10. Creditors

	2023	2022
	£	£
Accruals and other creditors	258,213	385,140
	<u>258,213</u>	<u>385,140</u>

11. Unrestricted Funds

	2023 Opening £	2023 Income £	2023 Expenditure £	2023 Transfer £	2023 Closing £
Unrestricted Funds	4,338,223	719,869	(867,552)	234,000	4,424,540
	<u>4,338,223</u>	<u>719,869</u>	<u>(867,552)</u>	<u>234,000</u>	<u>4,424,540</u>
	2022 Opening £	2022 Income £	2022 Expenditure £	2022 Transfer £	2022 Closing £
Unrestricted Funds	4,190,147	454,702	(810,646)	504,020	4,338,223
	<u>4,190,147</u>	<u>454,702</u>	<u>(810,646)</u>	<u>504,020</u>	<u>4,338,223</u>

The transfers into the unrestricted funds represent two specific transactions:

- £234,000 (2022: £468,000) from the expendable endowment funds represents monies drawn down from an accumulating investment fund held as part of the Foundation's investment portfolio.
- In 2022, there was another transfer of £36,020 from the restricted fund which represented restricted spend from the period from 2019-2021 which was incorrectly captured as unrestricted expenditure in the financial statements in these periods. The transfer from restricted funds reimbursed the unrestricted funds and correctly brought the balance of restricted funds for the road collision fund to £nil as at 31 December 2022 in line with the accounting returned to the funders.

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Restricted Funds	2023	2023	2023	2023	2023
	Opening £	Income £	Expenditure £	Transfer £	Closing £
Fédération Internationale de l'Automobile Road Safety Investigation Branch	-	42,761	(42,761)	-	-
	20,000	(3,077)	(16,923)	-	-
	<u>20,000</u>	<u>39,684</u>	<u>(59,684)</u>	<u>-</u>	<u>-</u>
	2022	2022	2022	2022	2022
	Opening £	Income £	Expenditure £	Transfer £	Closing £
Road Collision fund	84,147	6,970	(55,097)	(36,020)	-
Road Safety Investigation Branch	-	20,000	-	-	20,000
	<u>84,147</u>	<u>26,970</u>	<u>(55,097)</u>	<u>(36,020)</u>	<u>20,000</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. This project was completed in 2022.

The Road Safety Investigation Branch fund is for the Foundation to provide support and input to the work involved in creating a Road Safety Investigation Branch of the Department of Transport, specifically advising on the data, staff capabilities and prioritisation approaches that the new body is likely to require to fulfil its proposed statutory functions. During the year £3,077 representing the total of unspent funds was refunded back to the Department of Transport

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

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Expendable Endowment Funds	2023 Opening £	2023 Expenditure £	2023 Gains £	2023 Transfer £	2023 Closing £
	<u>28,621,883</u>	<u>(82,718)</u>	<u>1,680,465</u>	<u>(234,000)</u>	<u>29,985,630</u>
	2022 Opening £	2022 Expenditure £	2022 Gains £	2022 Transfer £	2022 Closing £
	<u>32,602,731</u>	<u>(130,217)</u>	<u>(3,382,631)</u>	<u>(468,000)</u>	<u>28,621,883</u>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Analysis of net assets between funds 2023	Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds	
	£	£	£	£
Tangible fixed assets	-	-	-	-
Investments	-	-	34,469,500	34,469,500
Current assets	4,682,753	-	(4,483,870)	198,883
Liabilities	(258,213)	-	-	(258,213)
Balance at 31 December 2023	4,424,540	-	29,985,630	34,410,170

Analysis of net assets between funds 2022	Unrestricted	Restricted	Endowment	Total
	Funds	Funds	Funds	
	£	£	£	£
Tangible fixed assets	-	-	-	-
Investments	-	-	32,742,757	32,742,757
Current assets	4,723,363	20,000	(4,120,874)	622,489
Liabilities	(385,140)	-	-	(385,140)
Balance at 31 December 2022	4,338,223	20,000	28,621,883	32,980,106

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 2023**

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

	2023	2022
	£	£
Net movement in funds	1,430,064	(3,896,919)
Add back depreciation charge	-	-
Add back investment manager fee	75,128	85,183
Deduct investment income	(716,496)	(468,109)
Loss/(gain) on investments	(1,680,465)	3,382,631
Decrease/(increase) in debtors	8,489	3,272
Increase/(decrease) in creditors	(126,927)	96,797
Net cash used in operating activities	<u>(1,010,207)</u>	<u>(797,175)</u>

18. Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	175,550	590,667
Cash with investment manager	196,338	4,091
	<u>371,888</u>	<u>594,758</u>

19. Analysis of changes in net debt

	At 1 January 2023	Cashflows	At 31 December 2023
	£	£	£
Cash at bank and in hand	590,667	(415,117)	175,550
Cash with investment manager	4,091	192,247	196,338
	<u>594,758</u>	<u>(222,870)</u>	<u>371,888</u>

ROYAL AUTOMOBILE CLUB FOUNDATION FOR MOTORING LIMITED (BY GUARANTEE)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

20. Comparative statement of financial activities

	Unrestricted Funds £	Restricted Funds £	Expendable Endowment £	2022 Total £
Income from				
Investments	454,702	-	-	454,702
Grants	-	26,970	-	26,970
Total Income	454,702	26,970	-	481,672
Expenditure on:				
Raising funds	-	-	130,217	130,217
Charitable activities	810,646	55,097	-	865,743
Total Expenditure	810,646	55,097	130,217	995,960
Net gains on investments	-	-	(3,382,631)	(3,382,631)
Net (loss)/income for the year	(355,944)	(28,127)	(3,512,848)	(3,896,919)
Transfers between funds	504,020	(36,020)	(468,000)	-
Net movement in funds	148,076	(64,147)	(3,980,848)	(3,896,919)

