

The Racing Centre Ltd.
Report and Unaudited Financial Statements
Year Ended
31 March 2021

THE RACING CENTRE LTD.

Report and unaudited financial statements for the year ended 31 March 2021

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Trustees and members

The Honourable Peter Stanley
George McGrath (Chairman)
Andrew Braithwaite (Treasurer)
Rebecca Dunlop (Resigned 7 July 2020)
Ed Dunlop
Nigel Elwes CBE (Resigned 7 July 2020)
Reverend Simon Bailey
Nik Chapman
Simone Sear
Sharon Lamb

Company Secretary and registered office John Gilbert
Fred Archer Way, Newmarket, Suffolk, CB8 8NT

Operations Manager John Gilbert

Centre Manager John Gilbert

Charity number 1107833

Company number 05283686

Independent examiner Leigh Thurston FCCA, Lovewell Blake LLP Chartered Accountants,
First Floor Suite, 2 Hillside Business Park, Bury St Edmunds, IP32 7EA

Bankers Barclays Bank Plc, 58 High Street, Newmarket, Suffolk, CB8 8NH

Legal advisers Edmondson Hall Solicitors, 25 Exeter Road, Newmarket, Suffolk, CB8 8AR

THE RACING CENTRE LTD.

Report of the trustees for the year ended 31 March 2021

The trustees are pleased to present their report together with the unaudited consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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) (effective 1 January 2015).

Structure, Governance and Management

Governing Document

The Racing Centre is a company limited by guarantee governed by its Memorandum and Articles of Association dated 11 November 2004. It is registered as a charity with the Charity Commission. Anyone over the age of 18 can become a member of the charitable company subject to the approval of the trustees. At 31 March 2021 there were 8 members, each of whom agrees to contribute £10 in the event of the charitable company winding up. This is distinct from membership of the Centre generally, who are not members of the charitable company as a legal entity.

The charitable company was established to undertake the activities of the previously unincorporated charity, The New Astley Institute (charity number 67087) with effect from 1 April 2005, when the assets and liabilities of that charity were transferred to The New Astley Club, which changed its name to The Racing Centre Ltd. on 19 May 2014.

Appointment of trustees

As set out in the Articles of Association the trustees are appointed by the members (of the charitable company) subject to the specific rules governing such appointments at meetings and the notice periods applicable. The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

All trustees retired at the first Annual General Meeting. Thereafter one third of trustees retire at each Annual General Meeting. The trustees have the power to appoint trustees between Annual General Meetings subject to the retirement and possible reappointment of that trustee at the next Annual General Meeting. There is a minimum number of three trustees, and no maximum number. The trustees are mindful to the need to provide a mix of skills within their body when considering appointments.

Trustee induction and training

There are no formal induction and trustee training procedures in place. However, new trustees are given copies of appropriate background information regarding the charity, its activities, structure, staff, and financial circumstances.

All trustees are made aware of their legal obligations under charity and company law. Trustees are drawn from areas that have particular knowledge of the charitable company's activities. The charitable company also encourages trustees to undertake appropriate training.

Organisation

The trustees meet periodically to agree strategy and areas of activity for the Centre. Day to day management is undertaken by the Chief Executive, Operations Manager, or Centre Manager in consultation with the Chairman

THE RACING CENTRE LTD.

Report of the trustees for the year ended 31 March 2021 (Continued)

Structure, Governance and Management (Continued)

Organisation (Continued)

and other trustees as appropriate. The Chief Executive, Operations Manager, or Centre Manager is assisted by a number of full and part time employees.

The trustees and the Chief Executive, Operations Manager, or Centre Manager are considered to be the key management personnel of the Centre. All trustees give their time freely and receive no remuneration or expenses in the year. The trustees review the pay of the Chief Executive, Operations Manager, or Centre Manager periodically, and this is increased in accordance with their assessment of appropriate remuneration for their duties in relation to the particular circumstances of the Centre.

Details of those in office during the year are given on the contents page of this report.

Related parties

The charity has no formal links to other charities but does receive considerable support by way of donations from Racing Welfare, the Simon Gibson Charitable Trust, Godolphin, Childwick Trust, The EBM Charitable Trust, The Racing Foundation, and other organisations. The charity undertakes initiatives in association with Racing Welfare, The Injured Jockeys Fund, British Racing School, and National Association of Racing Staff (NARS).

The charity operates a wholly owned trading subsidiary, The New Astley Bar Limited. The company's principal activity is the handling of bar activities at the Centre. The company gifts any profits to the Centre each year by gift aid, subject to the retention of profits where appropriate.

Objectives and activities

The charity's objects are: "To establish an organisation for the benefit of persons employed in and about the stables and training establishments in Newmarket and elsewhere by the provision of a club and youth centre and other facilities in the interests of social welfare for recreation and a leisure time occupation with the object of improving the condition of life for such persons being persons who by reason of their poverty or social and economic circumstances have need of such facilities and subject thereto for the use of such other residents of the town of Newmarket who for like reasons have need of such facilities."

As recommended in the strategic review the charity has created a new Mission Statement and Strategic Vision to set out the way forward for the Racing Centre.

Mission Statement

The Racing Centre's mission is to improve the quality of life for people working within the horseracing industry predominantly in Newmarket by providing a range of services and community development opportunities that supports people to reach their full potential.

Strategic Vision

To create a community hub in the heart of Newmarket for the horseracing industry and wider community, providing information, advice and guidance in partnership with other key agencies. The centre is a base for a variety of services and a place to socialise, exercise and access sports opportunities including rehabilitation from injury.

A Centre for Racing in the Centre of Racing

THE RACING CENTRE LTD.

Report of the trustees for the year ended 31 March 2021 *(Continued)*

Objectives and activities *(Continued)*

The Racing Centre Overarching Objectives:

- Develop a range of support services that meet the needs of people working in the horseracing industry and wider community in Newmarket.
- Develop and implement a financial and fundraising plan to support an expansion in service provision and the modernisation of facilities in order to appeal to a wider audience and the community at large.
- Ensure the organisation's structure and human resource capabilities are adequate to successfully manage a period of change and development.
- Ensure all people working in racing in Newmarket are aware of The Racing Centre and the support services it provides, and that the wider community is aware of the facilities available. New website to be developed to assist in the marketing of all Centre activities.
- Provide modern and attractive facilities in order to appeal to a wider audience and community at large.

Achievements and performance

The Racing Centre Targets:

- To increase footfall in The Racing Centre of both those who work in the horseracing industry and the wider community.
- To increase the gym and exercise classes, social activities, and events offerings, and ensure we offer more activities to children and young people.
- To increase charitable activities, gym membership and build strategic partnerships in the local community.

Review of the year and plans for the future

The Racing centre was established in 1893 by sir john Astley as a social and leisure centre for the Newmarket community and is continuing to go through a transitional period with its focus being on the community and creating a sustainable community centre for Newmarket.

The Racing Centre continues its links to the horseracing industry and is furthering its links to the wider community to pursue the aims and objectives with the generous help of grants from horseracing trusts and trusts committed to social investments in Newmarket. Both of which has allowed the continued operations of the racing centre and the trustees wish to express an immense thanks for those.

Having pursued the charity aims into the community, 2020 saw the emergence of COVID and the response of the charity to play its part in the community. Early into 2020, the centre positioned itself to play a major role in the community response and care of those most vulnerable. Along with town stakeholders, developed a monitored helpline with all support elements addressed. This has developed into a community group committed to developing Newmarket and the communities involved which have since addressed local campaigns to regenerate parts of Newmarket lacking development and investment.

During the initial lockdown, the centre redeveloped the hospitality section of the centre to better support the charity's trading. The newly refurbished café has boosted the unrestricted trading to enable the charity to continue operating and advance the charity objectives. We foresee this playing a larger role in the charity's operations and growing with the continuity and expansion of marketing and reputation.

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Report of the trustees for the year ended 31 March 2021 (*Continued*)

In keeping with the times, the charity has also recruited a marketing and fundraising officer to increase the donor relations, marketing, and tell of the impact achieved within the charity's objectives and mission. This has proved successful and has become a vital role within the charity for which support from the John Pearce Foundation must be thanked.

The centre has and will continue to work with new and existing donors and trusts to develop projects, new and ongoing. The centre is committed to developing projects to the needs of the horseracing community and that of the town as and when the need arises. This aligns with the charitable aims and objectives and that in which the trustees believe.

The charity has continued to partner with local and national charities to develop, support and achieve more. These partnerships have enabled the development of the Yellow Brick Road project, Community Pop-up Shop and a youth work program, the only type in Newmarket. All of which have furthered and developed the role of the charity in the community.

Financial review

The charity derives its income from four major sources: voluntary income by way of donations, investment income from its capital fund investments, income derived from the operation of the Centre, and gift aid donations from its wholly owned trading subsidiary, The New Astley Bar Limited. This income is used to support the operation of the Centre and to cover central costs.

During the financial period The Racing Centre felt the full brunt of the pandemic which meant the centre had several extended periods of closure effecting multiple revenue streams including gym memberships and venue hire. As a result the charity relied heavily on both public and private grants to maintain its financial position.

Total income for the year amounted to £510,710 (2020:£341,236). Owing to the generosity of stakeholders and the public, donations for the year totaled £421,044 (2020:£190,873). This offset the significantly lower revenues arising from the operations of the centre £36,135 (2020:136,231). While there remains a degree of uncertainty around the COVID-19 situation within the UK, management is hopeful that there will not be any future lockdowns so that the charity may begin to rebuild its operational revenue streams to ensure it can remain financially stable without relying so heavily on donations and grants.

In the previous set of accounts, the initial shock of the pandemic was felt in the valuation of the charity's reserves which are invested in publicly traded charity focused funds. Market conditions have improved which has resulted in a more favourable valuation, reversing the prior year losses, in total a gain of £58,405 (2020:(32,714)). The charity maintains its policy of holding reserves in investments with a long term outlook in mind so year to year fluctuations are not of great concern.

The trustees have a reasonable expectation that the Charity has adequate resources for the foreseeable future, and thus continue to adopt the going concern basis of preparation.

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Report of the trustees for the year ended 31 March 2021 *(Continued)*

Reserves policy

Notes 17, 18 and 19 show the assets and liabilities attributable to the charity's designated and restricted funds by type and summarises the period's movements on each fund. These notes largely detail the trustees' policy regarding reserves. The charity accounts include a designated Capital Fund to reflect the value of investments held by the charity.

At 31 March 2021 the charity's designated reserves were £399,644 (2020: £341,239)

At 31 March 2021 the charity's total restricted funds were £622,503 (2020: £484,285).

The General Fund represents funds available for use in ongoing activities, amounting to £326,707 (2020: £285,127) at the year end. It is the general intention that the charity should aim to breakeven year on year. For the 2021 financial year the charity met this goal.

Investment policy and performance

Under the terms of the Memorandum and Articles of Association the charity has the power to invest in any way the trustees wish. The charity's funds, which are managed by the trustees, are now held exclusively in UK common investment funds some of which are primarily designed for charities. The investments are held for the purpose of generating an income flow to support the ongoing work of the charity. These are detailed in note 12 of these financial statements.

The main form of financial risk faced by the charity is that of volatility in 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.

The charity manages these risks by operating a policy of investing in funds, the majority of which are primarily designed for charities. The charity also principally holds its investment portfolio with a view to maintaining a longer term return and as such would expect short term volatility will be corrected in the longer term.

The Designated Capital Fund experienced an investment gain of £58,405 (2020: (£32,714)). General market conditions improved through Q2 2020 onwards resulting in the charities investments recovering on their losses posted in the previous year. No funds were withdrawn during the year (2020: £Nil). After taking account of the investment gains above means investments amount to £399,644 (2020: £341,239) at the year end.

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Report of the trustees for the year ended 31 March 2021 *(Continued)*

Risk management

The trustees continue to review the major risks which the Centre is exposed to on an ongoing basis and believe that such reviews of the Centre's activities and financial performance, together with the established systems in place, are sufficient to mitigate significant risks. In particular they have considered risks in the following areas:

- Governance
- Operations
- Financial
- Environmental or external factors
- Compliance with Law and regulation

By effectively managing the risk the Trustees ensure:

- Significant risks are known and monitored, enabling them to make informed decisions and take timely action;
- The Centre can maximise its opportunities and develop them with confidence;
- The Centre's aims are achieved more successfully.

The most significant financial risks surround investment performance which is covered as detailed above and ongoing fundraising which is dependent upon the support of a small number of bodies. To this end the charity continues to work closely with those bodies to ensure ongoing support of its activities, whilst accepting that such activities could be sustained into the future only through the use of the charity's reserves should that support not be forthcoming.

Most other risks identified above are covered as far as is practical by appropriate insurance cover, together with the use of appropriate professional advisors.

Trustees' Responsibilities

The Trustees (who are also the directors of the Racing Centre Ltd. for the purposes of Company Law) are responsible for preparing the Trustees' Report and the 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 charity for that period. In preparing those financial statements, the Trustees are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. observe the methods and principles in the Charities SORP;
- c. make judgements and estimates that are reasonable and prudent;
- d. state whether applicable UK Accounting Standards have been followed, subject to any material departures explained in the financial statements; and
- e. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

THE RACING CENTRE LTD.

Report of the trustees for the year ended 31 March 2021 (*Continued*)

Trustees' Responsibilities (*Continued*)

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 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the trustees

A handwritten signature in black ink, appearing to read 'G. McGrath', is positioned above the printed name of the Chairman.

George McGrath
Chairman

THE RACING CENTRE LTD.

Independent examiner's report to the Trustees of The Racing Centre Ltd.

I report to the charity trustees on my examination of the consolidated financial statements of The Racing Centre Ltd. ('the company') for the year ended 31 March 2021, which comprise the statement of financial activities (including income and expenditure account), balance sheet and the related notes.

Responsibilities and basis of report

As the charity's trustees of the company (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the financial statements of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of your charity's accounts as carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145 (5)(b) of the 2011 Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Association of Chartered Certified Accountants, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me reasonable cause to believe that in any material respect:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the financial statements do not accord with those records; or
3. the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the financial statements give a 'true and fair view' which is not a matter considered as part of an independent examination; or
4. the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.

 30/3/22

Leigh Thurston FCCA
Independent Examiner

Lovewell Blake LLP
Chartered Accountants
First Floor Suite
2 Hillside Business Park
Bury St Edmunds
IP32 7EA

THE RACING CENTRE LTD.

Unaudited statement of financial activities for the year ended 31 March 2021

		Unrestricted Funds	Restricted Funds	Total charity	2020 Total funds
	Notes	£	£	£	£
Income from:					
Donations	4	223,266	197,778	421,044	190,873
<i>Charitable activities:</i>					
Operation of Centre	6	36,135	-	36,135	136,231
Government Grants	6	41,268	-	41,268	-
Investments	7	12,262	-	12,262	14,132
Total income		312,931	197,778	510,709	341,236
Expenditure on:					
<i>Charitable activities:</i>					
Operation of Centre	8	271,351	59,560	330,911	331,025
Total expenditure		271,351	59,560	330,911	331,025
Net gains / (losses) on investments	13	58,405	-	58,405	(32,714)
Net income / (expenditure)		99,985	138,218	238,203	(22,503)
Transfers between funds			-		-
Net movement in funds	11	99,985	138,218	238,203	(22,503)
<i>Reconciliation of funds</i>					
Total funds brought forward		626,366	484,285	1,110,651	1,133,154
Total funds carried forward		726,351	622,503	1,348,854	1,110,651

The notes on pages 12 to 26 form part of these unaudited financial statements.

THE RACING CENTRE LTD.

Unaudited charity balance sheet at 31 March 2021

Registered Number: 05283686


	Note	Charity 2021 £	Charity 2020 £
Fixed assets			
Tangible assets	12	780,840	662,979
Investments	13	399,644	341,239
Total fixed assets		1,180,484	1,004,218
Current assets			
Debtors	15	102,376	79,444
Cash at bank and in hand		76,896	41,499
Total current assets		179,272	120,943
Creditors: amounts falling due within one year	16	(10,902)	(14,511)
Net current assets		168,370	106,433
Total net assets	17	1,348,854	1,110,651
The funds of the charity			
<i>Unrestricted funds</i>	18		
General fund		326,707	285,127
Designated funds		399,644	341,239
<i>Restricted funds</i>	19	622,503	484,285
Total funds		1,348,854	1,110,651


For the year ending 31 March 2021 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. These financial statements were approved by the board of trustees and authorised for issue on _____ and are signed on behalf of the board by


 George McGrath
 Chairman


 Andrew Braithwaite
 Treasurer

The notes on pages 12 to 26 form part of these unaudited financial statements.

THE RACING CENTRE LTD.

Unaudited statement of charity cash flows at 31 March 2021

	Charity 2021 £	Charity 2020 £
Net movement in funds	238,203	(22,503)
Depreciation charges	29,452	34,671
(Gains)/losses on investments	(58,405)	32,714
Investment income	(12,262)	(14,132)
(Increase)/decrease in debtors	(22,932)	(41,700)
Increase/(decrease) in creditors	(3,605)	(4,970)
Net cash provided by / (used in) operating activities	170,451	(15,920)
Cash flows from investing activities:		
Investment income	12,200	14,132
Interest receivable	62	1
Purchase of fixed assets	(147,316)	(5,621)
Cash provided by/(used in) investing activities	(135,054)	8,512
Increase (Decrease) in cash and cash equivalents in the year	35,397	(7,407)
Cash and cash equivalents at the beginning of the year	41,499	48,906
Total cash and cash equivalents at the end of the year	76,896	41,499
Analysis of cash and cash equivalents		
Cash in hand	76,896	41,499

THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2021

1 Basis of Preparation

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The Racing Centre Ltd. is a private company limited by guarantee and a charity domiciled and registered in England (Company number 05283686, Registered Charity number 1107833), which constitutes a Public Benefit entity as defined by FRS102. The address of its registered office is Fred Archer Way, Newmarket, Suffolk, CB8 8NT.

Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

2 Accounting policies

The principal accounting policies are set out below.

(a) Going concern

The trustees believe the going concern basis of preparing these financial statements is appropriate. The trustees feel that the charity has sufficient funds to meet its liabilities as they fall due for at least 12 months from the date of approving these accounts.

(b) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the monetary value can be measured with sufficient reliability.

Donations are recognised when the charity has been notified of both the amount and settlement date, and it is probable that they will be received. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it.

Income from operation of the Centre is included when receivable and the amount can be measured reliably by the charity.

Commercial trading income represents sales to outside customers less valued added tax. This income is recognised as goods and services are provided to customers.

THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2020 *(Continued)*

2 Accounting policies *(Continued)*

(d) Income recognition (Continued)

Dividends are recognised once the income has been declared and notification has been received of the dividend receivable from the investment provider.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably, this is normally upon notification of the interest payable or paid by the bank.

(c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to the expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

The majority of costs are directly attributable to specific activities. Certain shared costs are apportioned to activities in furtherance of the objects of the charity and those of the trading subsidiary. Office costs and property related costs are apportioned on the proportion of floor area occupied by the activity.

Costs of raising funds are those costs incurred on commercial trading activities which raise funds.

Charitable activities include expenditure associated with the operation of the Centre and provision of facilities and activities. It includes both the direct costs and support costs relating to these activities.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

(d) Allocation of support and governance costs

Support costs include central functions and have been allocated to Centre activities and governance costs on a basis consistent with the use of the resources, staff costs by their time, and other costs by usage.

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit, and legal and professional fees together with an apportionment of overhead and support costs.

Support costs including governance costs have been allocated to charitable activities as analysed in note 6.

(e) Taxation

The income and gains of the charity are exempt from corporation tax to the extent that they are applied to its charitable objectives. Recoverable income tax is accrued within the financial statements.

THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2021 *(Continued)*

2 Accounting policies *(Continued)*

(f) Tangible fixed assets and depreciation

Depreciation is calculated on all tangible assets at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life as follows:

Long leasehold land and buildings	-	99 years (term of lease)
Fixtures and equipment	-	20% per annum on a straight-line basis
Computer Equipment	-	25% per annum on a straight-line basis

Individual fixed assets costing £500 or more are capitalised at cost.

(g) Fixed asset investments

The charity's investment in its wholly owned trading subsidiary is stated at cost. All other fixed asset 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.

(j) 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 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.

(k) Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell. Cost is based on the cost of purchase on a first in, first out basis.

(l) Debtors

Trade and other debtors are recognised and the settlement due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

(m) Cash at bank

Cash at bank includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(n) Creditors or provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2021 (*Continued*)

2 Accounting policies (*Continued*)

(o) *Financial instruments*

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

(p) *Funds accounting*

Funds held by the charity are:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds – these are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds – these are funds created when grants or donations are made available for a particular purpose, the use of which is restricted to that purpose.

Further explanation of the nature and purposes of each fund is included in the notes to the accounts.

Transfers between funds represent the charity's net addition to or disposal of fixed assets and investments, which are ultimately held in the Charitable Fixed Assets Fund and Capital Fund; and Gift Aid donations received from the non-charitable trading subsidiary.

(q) *Pensions*

For defined contribution schemes the amount charged to unrestricted funds in the Statement of Financial Activities is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown either as accruals or prepayments.

THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2021 (*Continued*)

3 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical areas of judgement

The trustees do not consider there to be any critical areas of judgement that have a significant effect on the amounts recognised in the financial statements.

4 Donations

	2021 £	2020 £
Donations	421,044	190,873
	<u>421,044</u>	<u>190,873</u>

5 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £10.

6 Income from charitable activities

The income was primarily derived from the operation of the Centre

	2021 £	2020 £
Pool and snooker	-	200
Keep fit courses	2,569	1,708
Room hire	3,917	28,996
Hall hire	451	26,271
Racefit	940	4,937
Event Ticket sales	-	8,651
NARS income	10,806	10,056
Gym Membership	16,381	41,837
Personal Training	-	13,575
Misc sales	1,071	-
Government Grants	41,268	-
	<u>77,403</u>	<u>136,231</u>

THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2021
(Continued)

7 Income from investments

	2021	2020
	£	£
Interest receivable - deposits	62	1
Dividends receivable from Common Investment Funds	12,200	14,131
	<u>12,262</u>	<u>14,132</u>

THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2021 (Continued)

8 Expenditure on charitable activities

	Basis of Allocation	Centre Activities £	Support costs £	2021 Total £	2020 Total £
<i>Costs directly allocated to activities:</i>					
Advertising & marketing	Direct	4,815	-	4,815	4,031
Independent examination & accountancy fees	Direct	-	15,120	15,120	24,287
Direct Costs	Direct	3,131	-	3,131	-
Staff Training		1,495	-	1,495	-
Bank fees	Direct	1,529	-	1,529	2,259
Cleaning & refuse	Direct	6,579	-	6,579	12,842
Consulting	Direct	-	-	-	10,265
Cost of goods sold	Direct	377	-	377	7,427
Depreciation expense	Direct	12,128	-	12,128	20,652
Depreciation expense - restricted	Direct	17,324	-	17,324	14,019
Direct wages	Direct	6,904	-	6,904	9,386
Employers National Insurance	Direct	5,366	-	5,366	12,024
Entertainment	Direct	356	-	356	680
Equipment expense	Direct	10,223	-	10,223	4,450
General expenses	Direct	2,016	-	2,016	6,071
Insurance	Direct	8,212	-	8,212	3,224
IT software and consumables	Direct	3,016	-	3,016	1,566
Licenses	Direct	155	-	155	672
Light, power, heating	Direct	16,791	-	16,791	16,215
Non-Recoverable VAT	Direct	-	-	-	185
Pensions costs	Direct	4,377	-	4,377	3,992
Postage, freight & courier	Direct	147	-	147	243
Printing & stationery	Direct	1,561	-	1,561	1,858
Professional fees	Direct	883	-	883	4,845
Rates & water	Direct	3,912	-	3,912	5,235
Rent	Direct	624	-	624	624
Repairs & maintenance	Direct	22,826	-	22,826	6,265
Salaries	Staff time	141,345	13,021	154,366	127,210
Sky / BT TV	Direct	275	-	275	8,707
Staff training welfare	Direct	1,383	-	1,383	890
Subscriptions	Direct	2,798	-	2,798	2,192
Telephone & internet	Usage	13,139	-	13,139	13,152
Travel - national	Direct	62	-	62	610
Trips / events	Direct	370	-	370	-
Vending machine costs	Direct	3,766	-	3,766	3,400
Grants Paid	Overhead	4,885	-	4,885	-
		<u>302,772</u>	<u>28,141</u>	<u>330,911</u>	<u>331,025</u>

Costs are allocated as shown above. As the charity is effectively engaged in one activity only, the provision of Centre facilities and associated activities, no further subdivision of charitable activity beyond a breakdown of overall cost of Centre activities is given.

THE RACING CENTRE LTD.Notes forming part of the unaudited financial statements for the year ended 31 March 2021 *(Continued)***9 Employment costs**

	2021 £	2020 £
Wages and salaries	161,270	127,210
Social security costs	5,366	12,024
Other pension costs	4,377	3,992
	<u>171,013</u>	<u>143,226</u>

	2021	2020
The average monthly head count of all employees, excluding trustees, was:		
Charitable activities and governance	<u>16</u>	<u>15</u>

No employee earned more than £60,000 during the year (2020: no employee).

The charity considers that its key management personnel is the Centre Manager, who is responsible for dealing with the day-to-day management of the Centre. Total employment benefits paid to the Chief Executive and Centre Manager in the year amounted to £39,668 (2020: £39,123).

10 Trustees remuneration and expenses

During the year no trustee received any reimbursement of expenses or remuneration or received payment for professional services supplied to the charity (2020: £Nil).

11 Movements in total funds for the year

	2021 £	2020 £
This is stated after charging:		
Depreciation	29,452	34,671
Accountant's remuneration for independent examination	1,800	1,800
Accountant's remuneration for other financial services	<u>11,520</u>	<u>-</u>

THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2021 *(Continued)*

12 Tangible assets

	Long leasehold land and buildings	Fixtures and equipment	Plant & Machinery	Computer Equipment	Charity Total
	£	£	£	£	£
<i>Cost</i>					
At 1 April 2020	797,913	318,406	-	-	1,116,319
Additions	126,527	10,298	10,075	416	147,316
Disposals	-	-	-	-	-
At 31 March 2021	924,440	328,704	10,075	416	1,263,635
<i>Depreciation</i>					
At 1 April 2020	189,208	264,135	-	-	453,343
Provided for the year	7,128	21,093	1,144	87	29,452
Disposals	-	-	-	-	-
At 31 March 2021	196,336	285,228	1,144	87	482,795
<i>Net book value</i>					
At 31 March 2021	728,104	43,476	8,931	329	780,840
At 31 March 2020	608,705	54,271	-	-	662,976

13 Investments

	2021 £	2020 £
Market value		
At 1 April 2020	341,239	373,953
Disposals	-	-
Net investment gains/(losses)	58,405	(32,714)
At 31 March 2021	399,644	341,239
Cost at 31 March 2021	141,146	141,146
Net unrealised gains/(losses) included in net investment gains/(losses) in year	58,405	(32,714)

The charity's investments include an additional £2 in respect of its holding of two £1 ordinary shares at cost in its wholly owned trading subsidiary The New Astley Bar Limited.

All investments are carried at their fair value. Investments in equities are all traded in quoted public markets, primarily the London Stock Exchange. The basis for fair value for quoted investments is equivalent to market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their market value).

THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2021 (Continued)

13 Investments (Continued)

The significance of financial instruments on the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the trustees' annual report.

The main risk to the charity from financial instruments lies in a combination of uncertain markets and volatility of equity income. The charity manages these risks by operating a policy of investing in common investment funds principally designed for charities, which are quoted on recognised stock exchanges. Consequently there is a low risk to liquidity. The charity also principally holds its investment portfolio with a view to maintaining a longer term return and as such would expect short term volatility will be corrected in the longer term.

14 Debtors

	2021 £	2020 £
Trade Debtors	6,841	10,064
Amount due from subsidiary company	95,367	69,220
Other debtors	168	160
	<u>102,376</u>	<u>79,444</u>

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	4,791	4,989
Other taxes and social security costs	(370)	7,721
Accruals and deferred income	1,800	1,800
Other Creditors	4,681	-
	<u>10,902</u>	<u>14,510</u>

16 Deferred income

Deferred income comprises income received in advance.

	2021 £	2020 £
Balance as at 1 April 2020	2,235	880
Amount released to income earned from charitable activities	2,235	880
Amount deferred in year	-	2,235
	<u>-</u>	<u>2,235</u>
Balance as at 31 March 2021	<u>-</u>	<u>2,235</u>

THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2021 *(Continued)*

17 Analysis of net assets between funds

Charity Funds – current year

	Unrestricted Funds	Restricted Funds	Total Funds 2021
	£	£	£
Tangible assets	179,337	601,503	780,840
Investments	399,644	-	399,644
Net current assets	147,370	21,000	168,370
	<u>726,351</u>	<u>622,503</u>	<u>1,348,854</u>

Charity Funds – prior year

	Unrestricted Funds	Restricted Funds	Total Funds 2020
	£	£	£
Tangible assets	178,694	484,285	662,979
Investments	341,239	-	341,239
Net current assets	106,434	-	106,434
	<u>626,367</u>	<u>484,285</u>	<u>1,110,652</u>

THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2021 (Continued)

18 Unrestricted funds

Current year	General Fund £	Charitable Fixed Assets Fund £	Designated Fund £	Total 2021 £
Balance at 1 April 2020	285,128	-	341,239	626,367
Net income/(expenditure)	41,579	-	-	41,579
Net investment gain	-	-	58,405	58,405
Transfers	-	-	-	-
Balance at 31 March 2021	326,707		399,644	726,351
Prior year	General Fund £	Charitable Fixed Assets Fund £	Designated Fund £	Total 2020 £
Balance at 1 April 2019	61,604	199,280	373,953	634,837
Net income/(expenditure)	24,244	-	-	24,244
Net investment gain	-	-	(32,714)	(32,714)
Transfers	199,280	(199,280)	-	-
Balance at 31 March 2020	285,128	-	341,239	626,367

The Charitable Fixed Asset Fund represented tangible assets held for the charity's charitable use, with the exception of those funded by restricted funds detailed in note 19. The expenditure in the period is the depreciation of those assets. The transfer to the Fund represents the net disposal proceeds of fixed assets in the year. Within the period it has been merged with the general funds for simplification.

The Capital Fund represents funds held as investments as designated by the trustees. The objective of the trustees is to establish a Capital Fund, the income from which will enable the charity to provide continued support to its members.

THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2021 *(Continued)*

19 Restricted funds

Current year	Balance 1 April 2020 £	Income £	Expenditure £	Balance 31 March 2021 £
Café Refurbishment Fund	24,444	150,006	(26,200)	148,250
Building Project Fund	417,735	-	(6,281)	411,454
Grow Together Fund	4,000	-	(2,000)	2,000
Moller Trust Fund	24,737	-	(2,351)	22,386
Peter O Sullivan Suite Fund	7,512	-	(6,472)	1,040
Sports England Fund	5,857	-	(4,484)	1,373
Project Christmas	-	5,500	(5,500)	-
Youth Engagement Project	-	15,000	-	15,000
Digital Training Fund	-	20,000	-	20,000
Hardship fund	-	6,272	(6,272)	-
Teen Chill	-	1,000	-	1,000
Total restricted funds	484,285	197,778	(59,560)	622,503

Prior year	Balance 1 April 2019 £	Income £	Expenditure £	Balance 31 March 2020 £
Bar Refurbishment Fund	24,907	-	(463)	24,444
Building Project Fund	424,101	-	(6,366)	417,735
Grow Together Fund	6,000	-	(2,000)	4,000
Moller Trust Fund	30,982	-	(6,245)	24,737
Peter O Sullivan Suite Fund	8,993	-	(1,481)	7,512
GroundWork UK Fund	3,336	-	(3,336)	-
Digital Training fund (Alborada Trust)	-	12,500	(12,500)	-
Godolphin / Shadwell Trust gym refurb fund.	-	3,000	(3,000)	-
West Suffolk Council Community chest	-	5,000	(5,000)	-
Sports England	-	6,982	(1,125)	5,857
Harris Family Fund	-	2,000	(2,000)	-
Total restricted funds	498,318	29,482	(43,516)	484,285

THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2021 *(Continued)*

20 Restricted funds *(Continued)*

The Racing Centre Refurbishment Fund (formerly the bar refurbishment fund) represents funds received for the purpose of the refurbishment of the Centre's Leader Bar. These funds were used to cover the bulk of the refurbishment costs, which have been added to the value of Long Leasehold Land and Buildings. The expenditure represents the depreciation of these refurbishments over the remaining life of the lease.

The Building Project Fund represents funds received for the purpose of building improvements and new equipment. Costs to date have been added to the value of Long Leasehold Land and Buildings and Equipment. The expenditure represents the depreciation of these costs over their respective lives.

The Grow Together Fund represents funds received for the redevelopment of the outside area behind the Centre. Following completion of these works in the current year, the expenditure represents the depreciation of these costs.

The Moller Trust fund represents funds received for the purpose of renovating the Moller Suite. Expenditure represents costs incurred in undertaking those refurbishments and subsequent depreciation.

The Peter O Sullivan suite fund represents funds received for the purpose of renovating the Peter O Sullivan Suite. Expenditure represents costs incurred in undertaking those refurbishments and subsequent depreciation.

The Groundworks UK fund represents funds received to lay on a cinema club for the benefit of the local community. Expenditure represents costs associated with the licensing of films and the provision of staff to host the events.

Community Chest Fund represents funds received to cover operational costs for providing certain community activities including Teenchill, art projects and cooking courses.

Digital Training Fund represents funds received to cover operational costs for providing educational classes on digital technology including social media.

Sports England fund represents funds received for the renewal of gym equipment

Harris Family Fund represents funds provided for operational costs in relation to the provision of Teen Chill events.

Hardship fund - a project established to address short-term hardship in the community where other avenues of support were unavailable during the covid pandemic.

Project Christmas – This fund represents donations received to apply to towards the provision of a Christmas float during the festive period and the distribution of gifts to children in the local community.

Youth engagement project - A project established to provide services and activities for young people in local community supported by Groundwork UK, The Harris Family Fund & Suffolk Police & Crime Commissioner Fund.

Digital Training fund - represents funds received to cover operational costs for providing educational classes on digital technology including social media. Supported by Childwick Trust.

Teen Chill – Represents funds received to provide events geared towards teenagers in the local community and support mental wellbeing.

THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2021 *(Continued)*

21 Related Party Transactions

The Racing Centre Ltd invoices the New Astley Bar Limited, a wholly owned trading subsidiary for services. The related to labour £23,934 (2020: £45,435) and £5,327 (2020: £8,236) for other services.

At 31 March 2021 the net amount owed to The Racing Centre Ltd. was £95,367 (2020: £69,220). No gift aid donations are currently expected due to the financial performance of the subsidiary.

During the period, The Racing Centre LTD invoiced Ed Dunlop Ltd £210 (2020:£1,042) for use of gym facilities and other services. These transactions were undertaken at market conditions. No monies were outstanding at the end of the period.

During the period, The Racing Centre LTD contracted with a company under common control with the Centre Manager, John Gilbert, for cleaning services, Commercial Cleaners LTD. During the period this amount to charges of £4,203 (2020:£8,709). The transactions were undertaken at standard market rates.

During the period, The Racing Centre LTD contracted with SG Fitness, a close link of Centre Manager John Gilbert for providing subcontracted PT sessions to customers of The Racing Centre LTD. This amounted to £430 (2020:£2,489). The transactions were undertaken at standard market rates.

During the year, The Racing Centre LTD provided office space and utilities to the National Association of Racing Staff (NARS) which totalled £13,365 (2020: £16,534). NARS is under common control of The Racing Centre LTD's chairman, George McGrath. The transactions were undertaken at standard market rates.

The pages which follow do not
form part of the statutory
financial statements of the charity

THE RACING CENTRE LTD.

Income and expenditure account for the year ended 31 March 2021

	2021	2020
Turnover		
Government Grants	41,268	1
Interest Income	62	14,131
Investment income	12,200	8,851
Other Revenue	1,065	148,842
Other Revenue - Donations	213,981	29,482
Other Revenue - Restricted Donations	197,778	12,549
Other Revenue - Trainers Pledge	9,285	716
Sales - BT	806	43,545
Sales - Gym Membership	16,387	26,271
Sales - Hall Hire	451	9,340
Sales - Office Rental	10,000	13,575
Sales - Personal Training	2,569	-
Sales - Racefit	940	4,937
Sales - Room Hire	3,917	28,996
Total Turnover	510,709	341,236
Cost of Sales		
Cost of Goods Sold	377	7,427
Direct Wages	6,904	9,386
Direct Costs	3,131	-
Total Cost of Sales	10,412	16,813
Gross Surplus	500,297	324,423
Administrative Costs		
Advertising & Marketing	4,815	4,031
Audit & Accountancy fees	15,120	24,287
Bank Fees	1,529	2,259
Cleaning & Refuse	6,579	12,842
Consulting	-	10,265
Depreciation Expense	12,128	20,652
Depreciation Expense - Restricted	17,324	14,019
Employers National Insurance	5,366	12,024
Entertainment-100% business	356	680
Equipment Expense	10,223	4,450
General Expenses	2,016	6,071
Grants paid	4,885	-
Insurance	8,212	3,224
IT Software and Consumables	3,016	1,566
Legal Expenses	-	53
Licenses	155	672
Light, Power, Heating	16,791	16,215
Non Recoverable VAT	-	185
Pensions Costs	4,377	3,992
Postage, Freight & Courier	147	243
Printing & Stationery	1,561	1,858
Professional fees	883	4,845
Rates & water	3,912	5,235
Rent	624	624
Repairs & Maintenance	22,826	6,265
Salaries	154,366	127,210
Sky / BT TV	275	8,707
Staff welfare	1,383	890

THE RACING CENTRE LTD.

Staff training	1,495	-
Subscriptions	2,798	2,182
Telephone & Internet	13,139	13,162
Travel - National	62	610
Trips / events	370	-
Vending Machine costs	3,766	3,400
Total Administrative Costs	320,499	314,212
 Surplus / (deficit) for the year	 179,798	 10,211
 Other Income		
Net Investment gain / (Loss)	58,405	(32,714)
Total Other Income	58,405	(32,714)
 Net movement in funds	 238,203	 (22,503)