

**The Racing Centre Ltd.**

**Report and Unaudited Financial Statements**

**Year Ended**

**31 March 2023**



**Registered Number: 05283686**

# **THE RACING CENTRE LTD.**

## **Report and unaudited financial statements for the year ended 31 March 2023**

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### **Trustees and members**

|                                |                        |
|--------------------------------|------------------------|
| George McGrath (Chairman)      |                        |
| The Honourable Peter Stanley   |                        |
| Andrew Braithwaite (Treasurer) | (Resigned 30/08/2023)  |
| Ed Dunlop                      | (Resigned 19/10/2022)  |
| Reverend Simon Bailey          |                        |
| Nik Chapman                    |                        |
| Simone Sear                    |                        |
| Sharon Lamb                    |                        |
| James Beazley                  | (Appointed 28/03/2023) |
| Amanda Prior                   | (Appointed 16/10/2023) |

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

**Centre Manager** John Gilbert

**Operations Manager** Tara-Lee Oatley

**Charity number** 1107833

**Company number** 05283686

**Independent examiner** Lovewell Blake LLP, First Floor Suite, 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 2023**

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The trustees are pleased to present their report together with the unaudited financial statements of the charity and its subsidiary for the year ended 31 March 2023 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 2023 there were ten members, each of whom agrees to contribute £10 in the event of the charitable company winding up.

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 Centre Manager in consultation with the Chairman

## **THE RACING CENTRE LTD.**

### **Report of the trustees for the year ended 31 March 2023 (*Continued*)**

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#### **Structure, Governance and Management (*Continued*)**

##### ***Organisation (Continued)***

and other trustees as appropriate. The Centre Manager is assisted by a number of full and part time employees.

The trustees and the 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 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 Cafe 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 stated objectives, as stated in its Memorandum and Articles of Association are:

*"To establish an organisation for the benefit of persons employed in and about the stables and racing 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."*

A new Mission Statement and statement of Strategic Vision were agreed by the Trustees in 2022.

##### **Mission Statement**

The Mission of the Racing Centre is to improve the quality of life for people working in the horseracing industry, and in our town, by providing a range of services and community development, through exercise, education, and social activities that support 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 RACING CENTRE LTD.**

### **Report of the trustees for the year ended 31 March 2023 (*Continued*)**

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Our overarching objectives:

- To maintain and to continue the development of a range of support services that meet the needs of people working in the racing industry and in the wider community of Newmarket
- To continue the development of a supporting financial and fundraising plan
- To work continually to raise awareness of the Centre and the support services it provides
- To look constantly for opportunities to respond to the changing needs of the community it serves

The Racing Centre has continued to pursue its vision and mission. It has focussed its attention on five key pillars of its strategy.

#### ***Meeting community needs.***

In the course of the year, the Centre has continued to respond to community needs. Existing facilities have shown an encouraging increase in usage in several areas. These include the RaceFit Gym which ended the calendar year with 312 active members, 79% being from the racing industry.

Amongst other projects, in September 2022, the Centre installed a soup kitchen in the reception area as a new initiative, entitled 'Project Cold', for anyone in need of a warm meal. This facility became a staple for many of those using other support services in the building. This project demonstrated the need to tackle food poverty locally and what the centre could do to support those suffering under the cost-of-living crisis with the implementation of a basic support, accessible, and at no cost to the user.

A community pantry was another initiative to receive funding and support. Starting in the autumn of 2022, this provided a facility in a designated room within the Centre where, following a referral from town stakeholders, beneficiaries would be able to access basic food supplies seven days a week.

This initiative demonstrated such a clear need that it became a driving factor in the relocation (in July 2023) of the town's foodbank to the Centre. This move not only enabled beneficiaries to use a much more central and easily accessible site, but also added to the Centre's growing list of services available under one roof.

The impact of cost-of-living issues continued to grow over the course of the year. This resulted in an all-time high footfall through the Centre. Users throughout the calendar year totalled over 49,000.

The Centre will continue to engage with and respond to relevant community issues as and when they become apparent.

#### ***Engaging with fellow community organisations.***

The Centre maintains close relationships with other community organisations, hosting events and groups as well as playing an active role in community initiatives. This networking maintains local awareness of what the Centre has to offer and gives the charity a pivotal role within the organisations that support the bloodstock industry locally and the wider community of Newmarket.

Newmarket Foodbank joined the Centre in August of 2023 having moved from a local industrial estate. This charitable impact reinforced the Centre's ability to react to a vital community need.

The Voluntary Network moved its head office to the Centre in June 2023, the Centre thereby becoming the base for the Connecting Communities bus transport, as well as its Befriending scheme.

Reach Community Projects has also moved into the Centre with its debt advice officer for Newmarket based here. Reach Community Projects also operates a Trussell Trust Foodbank in Haverhill.

## **THE RACING CENTRE LTD.**

### **Report of the trustees for the year ended 31 March 2023 (Continued)**

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#### ***Review of governance***

The Centre continues to maintain flexibility in its operating model, thereby ensuring that its management staff and processes can respond swiftly to changing needs.

#### ***Improvement of data***

The Centre's operations team has increased its outputs with the introduction of stricter reporting tools and systems. This has taken the form of newly installed point-of-sale systems, implementation of 'ClickUp', a project management tool, and further monitoring tools for both staff and customers.

#### **Financial review**

Against the backdrop of the COVID-19 pandemic recovery, The Racing Centre continued to provide critical services in the community backed by generous funding made available in the previous financial year.

Overall income for the period fell to £241,856 (2022: £283,031) largely due to a reduction in government grants compared to the previous year.

Costs have decreased to £405,378 (2022: £513,222) as the Centre completed projects through the year which required greater spending.

Events of the last few years have served to increase the difficulties of fundraising. The Centre is entirely dependent upon the generosity of others to carry out its work and has been considering ways of finding support for its core funding, which has become increasingly difficult to meet.

#### ***Reserves policy***

Notes 15, 16 and 17 show the assets and liabilities attributable to the charity's designated and restricted funds by type. 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 2023 the charity's designated reserves were £194,250 (2022: £315,739)

At 31 March 2023 the charity's total restricted funds were £557,165 (2022: £591,453).

The General Fund represents funds available for use in ongoing activities, amounting to £219,537 (2022: £240,518) at the year end. It is the general intention that the charity should aim to breakeven year on year.

#### ***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 11 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 RACING CENTRE LTD.**

### **Report of the trustees for the year ended 31 March 2023 (*Continued*)**

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#### **Financial review (*Continued*)**

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 to be corrected over time.

The Designated Capital Fund experienced an investment loss of (£13,236) (2022: £29,048). During the year, £108,255 was transferred from the designated fund reserve to the general funds balance (2022: £112,954). After taking account of the investment gains above means investments amounted to £194,250 (2022: £315,739) at the year end.

#### ***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 addressed above and ongoing fundraising, which is dependent upon the support of a small number of charitable and other organisations. The charity continues to work closely with the stakeholders to ensure ongoing support of its activities, whilst accepting that such activities can be sustained in 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.

## **THE RACING CENTRE LTD.**

### **Report of the trustees for the year ended 31 March 2023 (Continued)**

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#### **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 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

**George McGrath**  
Chairman





## THE RACING CENTRE LTD.

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

I report to the trustees on my examination of the financial statements of The Racing Centre Ltd. ('the company') for the year ended 31 March 2023, which are set out on pages 8 to 25.

#### Responsibilities and basis of report

As the 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.

An independent examination does not involve gathering all the evidence that would be required in an audit and consequently does not cover all the matters that an auditor considers in giving their opinion on the accounts. The planning and conduct of an audit goes beyond the limited assurance that an independent examination can provide. Consequently, I express no opinion as to whether the financial statements present a 'true and fair view' and my report is limited to those specific matters set out in the independent examiner's statement.

#### Independent examiner's statement

Since the consolidated 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 Certified Public Accountants Association, 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.

Signed:

Name: L THURSTON FCCA

Name of applicable listed body:

ON BEHALF OF

LONGWELL BLACK LLP, CHARTERED ACCOUNTANTS

Address: FIRST FLOOR SUITE, 2 HILLSING BUSINESS PARK, BURY ST EDMUNDS, IP82 7EA

Date: 22/12/2023

**THE RACING CENTRE LTD.**

**Unaudited consolidated statement of financial activities for the year ended 31 March 2023**

|                                     | Notes | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>charity<br>£ | 2022<br>Total<br>funds<br>£ |
|-------------------------------------|-------|----------------------------|--------------------------|-----------------------|-----------------------------|
| <b>Income from:</b>                 |       |                            |                          |                       |                             |
| Donations                           |       | 84,983                     | 16,800                   | 101,783               | 123,683                     |
| <i>Charitable activities:</i>       |       |                            |                          |                       |                             |
| Operation of Centre                 | 4     | 129,343                    | -                        | 129,343               | 109,713                     |
| Government Grants                   | 4     | -                          | -                        | -                     | 38,942                      |
| Investments                         | 5     | 10,730                     | -                        | 10,730                | 10,693                      |
| <b>Total income</b>                 |       | <b>225,056</b>             | <b>16,800</b>            | <b>241,856</b>        | <b>283,031</b>              |
| <b>Expenditure on:</b>              |       |                            |                          |                       |                             |
| <i>Charitable activities:</i>       |       |                            |                          |                       |                             |
| Operation of Centre                 | 6     | 354,289                    | 51,089                   | 405,378               | 513,222                     |
| <b>Total expenditure</b>            |       | <b>354,289</b>             | <b>51,089</b>            | <b>405,378</b>        | <b>513,222</b>              |
| Net gains / (losses) on investments | 11    | (13,236)                   | -                        | (13,236)              | 29,048                      |
| <b>Net income / (expenditure)</b>   |       | <b>(142,469)</b>           | <b>(34,289)</b>          | <b>(176,758)</b>      | <b>(201,143)</b>            |
| <b>Transfers between funds</b>      |       | <b>-</b>                   | <b>-</b>                 | <b>-</b>              | <b>-</b>                    |
| <b>Net movement in funds</b>        |       | <b>(142,469)</b>           | <b>(34,289)</b>          | <b>(176,758)</b>      | <b>(201,143)</b>            |
| <i>Reconciliation of funds</i>      |       |                            |                          |                       |                             |
| Total funds brought forward         |       | 556,258                    | 591,453                  | 1,147,710             | 1,348,854                   |
| <b>Total funds carried forward</b>  |       | <b>413,787</b>             | <b>557,165</b>           | <b>970,952</b>        | <b>1,147,710</b>            |

The notes on pages 11 to 25 form part of these unaudited financial statement

**THE RACING CENTRE LTD.****Unaudited charity balance sheet at 31 March 2023**

Registered Number: 05283686

|   | Note | Charity<br>2023<br>£ | Charity<br>2022<br>£ |
|---|------|----------------------|----------------------|
| <b>Fixed assets</b>                                   |      |                      |                      |
| Tangible assets                                       | 10   | 725,720              | 755,530              |
| Investments   | 11   | 194,250              | 315,739              |
| <b>Total fixed assets</b>                             |      | <b>919,970</b>       | <b>1,071,271</b>     |
| <b>Current assets</b>                                 |      |                      |                      |
| Debtors   | 12   | 22,255               | 9,819                |
| Cash at bank and in hand                              |      | 45,477               | 78,697               |
| <b>Total current assets</b>                           |      | <b>67,732</b>        | <b>88,516</b>        |
| <b>Creditors: amounts falling due within one year</b> | 13   | <b>(16,750)</b>      | <b>(12,077)</b>      |
| <b>Net current assets</b>                             |      | <b>50,982</b>        | <b>76,439</b>        |
| <b>Total net assets</b>                               | 15   | <b>970,952</b>       | <b>1,147,710</b>     |
| <b>The funds of the charity</b>                       |      |                      |                      |
| <i>Unrestricted funds</i>                             | 16   |                      |                      |
| General fund  |      | 219,537              | 240,518              |
| Designated funds                                      |      | 194,250              | 315,739              |
| <i>Restricted funds</i>                               | 17   | 557,165              | 591,453              |
| <b>Total funds</b>                                    |      | <b>970,952</b>       | <b>1,147,710</b>     |

For the year ended 31 March 2023 the charitable company was entitled to the exemption from audit under section 477 of the Companies Act 2006 relating to small companies. No members have required the charitable company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. However, in accordance with section 145 of the Charities Act 2011 the accounts have been examined by an independent examiner whose report appears on page 7. The Trustees acknowledge their responsibility for complying with the requirements of the Act with regard to accounting records and for the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The unaudited financial statements on pages 8 to 25 were approved and authorised for issue by the trustees on



**George McGrath**  
**Chairman**

The notes on pages 11 to 25 form part of these unaudited financial statements.

**THE RACING CENTRE LTD.****Unaudited statement of charity cash flows at 31 March 2023**

|   | <b>Charity<br/>2023<br/>£</b> | <b>Charity<br/>2022<br/>£</b> |
|---|-------------------------------|-------------------------------|
| Net movement in funds   | (176,758)                     | (201,143)                     |
| Depreciation charges  | 29,810                        | 29,178                        |
| (Gains)/losses on investments                                       | 13,236                        | (29,048)                      |
| Investment income   | (10,730)                      | (10,693)                      |
| (Increase)/decrease in debtors                                      | (12,436)                      | 92,557                        |
| Increase/(decrease) in creditors                                    | 4,673                         | 1,175                         |
| <b>Net cash provided by / (used in) operating activities</b>        | <b>(152,205)</b>              | <b>(117,974)</b>              |
| <b>Cash flows from investing activities:</b>                        |                               |                               |
| Investment income   | 10,730                        | 10,689                        |
| Interest receivable   | -                             | 4                             |
| Purchase of fixed assets  | -                             | (3,871)                       |
| Cash receipts from the sale of investment properties                | 108,255                       | 112,953                       |
| <b>Cash provided by/(used in) investing activities</b>              | <b>118,985</b>                | <b>119,775</b>                |
| <b>Increase (Decrease) in cash and cash equivalents in the year</b> | <b>(33,220)</b>               | <b>1,801</b>                  |
| <b>Cash and cash equivalents at the beginning of the year</b>       | <b>78,697</b>                 | <b>76,896</b>                 |
| <b>Total cash and cash equivalents at the end of the year</b>       | <b>45,477</b>                 | <b>78,697</b>                 |
| <b>Analysis of cash and cash equivalents</b>                        |                               |                               |
| Cash in hand  | 45,477                        | 78,697                        |

## THE RACING CENTRE LTD.

### Notes forming part of the unaudited financial statements for the year ended 31 March 2023

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#### 1 Accounting policies

The principal accounting policies are set out below.

##### *(a) Basis of preparation*

The unaudited financial statements (accounts) have been prepared under the historical cost convention and 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 (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006, and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

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 £.

##### *(b) 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.

##### *(c) Group financial statements*

The Charity is exempt by virtue of section 139(2) (exceptions to requirement to prepare group accounts) of the Charities Act 2011 from the requirement to prepare group financial statements. These financial statements present information about the charity as an individual undertaking and not about its group.

##### *(d) 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 provided to customers.

## THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2022 *(Continued)*

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### 1 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.

#### *(e) 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.

#### *(f) 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.

#### *(g) 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 2023 (*Continued*)

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### 1 Accounting policies (*Continued*)

#### (h) *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.

#### (i) *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.

## THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2023 (*Continued*)

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### 1 Accounting policies (*Continued*)

#### *(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.

#### *(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 2023 (*Continued*)

### 2 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.

### 3 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.

### 4 Income from charitable activities

The income was primarily derived from the operation of the Centre

|                    | 2023           | 2022           |
|--------------------|----------------|----------------|
|                    | £              | £              |
| Keep fit courses   | 3,967          | 4,242          |
| Room hire          | 7,302          | 2,458          |
| Hall hire          | 47,437         | 36,647         |
| Racefit            | 4,280          | 4,775          |
| Event Ticket sales | 8              | 2,019          |
| NARS income        | 10,900         | 10,900         |
| Gym Membership     | 43,626         | 46,135         |
| Government Grants  | -              | 38,942         |
| Misc sales         | 11,823         | 2,537          |
|                    | <u>129,343</u> | <u>148,655</u> |

### 5 Income from investments

|   | 2023          | 2022          |
|---|---------------|---------------|
|   | £             | £             |
| Interest receivable - deposits                    | -             | 4             |
| Dividends receivable from Common Investment Funds | 10,730        | 10,689        |
|   | <u>10,730</u> | <u>10,693</u> |

# THE RACING CENTRE LTD.

## Notes forming part of the unaudited financial statements for the year ended 31 March 2023 (Continued)

### 6 Expenditure on charitable activities

|  | Basis of Allocation | Centre Activities<br>£ | Governance<br>£ | 2023<br>Total<br>£ | 2022<br>Total<br>£ |
|--|---------------------|------------------------|-----------------|--------------------|--------------------|
| <i>Costs directly allocated to activities:</i> |                     |                        |                 |                    |                    |
| Advertising & marketing                        | Direct              | 3,572                  |                 | 3,572              | 8,026              |
| Independent examination & accountancy fees     | Direct              | -                      | 20,975          | 20,975             | 14,640             |
| Direct Costs                                   | Direct              | 3,290                  |                 | 3,290              | 374                |
| Staff Training                                 |                     | 1,255                  |                 | 1,255              | 703                |
| Bank fees                                      | Direct              | 3,450                  |                 | 3,450              | 2,861              |
| Cleaning & refuse                              | Direct              | 11,737                 |                 | 11,737             | 8,959              |
| Consulting                                     | Direct              | -                      |                 | -                  | 25,000             |
| Cost of goods sold                             | Direct              | 7,274                  |                 | 7,274              | 1,909              |
| Depreciation expense                           | Direct              | 10,214                 |                 | 10,214             | 11,424             |
| Depreciation expense - restricted              | Direct              | 19,596                 |                 | 19,596             | 17,754             |
| Direct wages                                   | Direct              | 15,928                 |                 | 15,928             | 6,702              |
| Employers National Insurance                   | Direct              | 10,666                 |                 | 10,666             | 13,095             |
| Entertainment                                  | Direct              | 386                    |                 | 386                | 1,324              |
| Equipment expense                              | Direct              | 3,996                  |                 | 3,996              | 8,910              |
| General expenses                               | Direct              | (524)                  |                 | (524)              | 2,694              |
| Insurance                                      | Direct              | 9,791                  |                 | 9,791              | 8,631              |
| Interest Paid                                  | Direct              | -                      |                 | -                  | 78                 |
| IT software and consumables                    | Direct              | 3,917                  |                 | 3,917              | 3,866              |
| Licenses                                       | Direct              | 180                    |                 | 180                | 2,069              |
| Light, power, heating                          | Direct              | 35,416                 |                 | 35,416             | 14,166             |
| Pensions costs                                 | Direct              | 5,074                  |                 | 5,074              | 5,907              |
| Postage, freight & courier                     | Direct              | 179                    |                 | 179                | 226                |
| Printing & stationery                          | Direct              | 451                    |                 | 451                | 714                |
| Professional fees                              | Direct              | 718                    |                 | 718                | 241                |
| Racefit / Sports costs                         | Direct              | 60                     |                 | 60                 | -                  |
| Rates & water                                  | Direct              | 4,229                  |                 | 4,229              | 1,958              |
| Rent   | Direct              | 600                    |                 | 600                | 468                |
| Repairs & maintenance                          | Staff time          | 9,557                  |                 | 9,557              | 10,386             |
| Salaries                                       | Direct              | 186,160                | 15,000          | 201,160            | 165,325            |
| Sky / BT TV                                    | Direct              | 5                      |                 | 5                  | -                  |
| Staff expenses                                 | Overhead            | 193                    |                 | 193                | 17                 |
| Staff welfare                                  | Direct              | 375                    |                 | 375                | 2,008              |
| Subscriptions                                  | Direct              | 2,986                  |                 | 2,986              | 4,906              |
| Telephone & internet                           | Usage               | 11,903                 |                 | 11,903             | 14,079             |
| Vending machine costs                          | Direct              | 2,770                  |                 | 2,770              | 2,830              |
| Inter-company loan provision                   | Direct              | -                      |                 | -                  | 150,837            |
| Grants Paid                                    | Overhead            | 4,000                  |                 | 4,000              | 135                |
|  |                     | <u>369,404</u>         | <u>35,975</u>   | <u>405,378</u>     | <u>513,222</u>     |

Costs are allocated as above. The charity is engaged in one activity only so the provision of Centre facilities and associated activities have no subdivision of beyond a breakdown of overall cost of Centre activities.

**THE RACING CENTRE LTD.****Notes forming part of the unaudited financial statements for the year ended 31 March 2023 (Continued)****7 Employment costs**

|                       | <b>2023</b>    | <b>2022</b>    |
|-----------------------|----------------|----------------|
|                       | <b>£</b>       | <b>£</b>       |
| Wages and salaries    | 201,160        | 165,325        |
| Social security costs | 10,666         | 13,095         |
| Other pension costs   | 5,074          | 5,907          |
|                       | <u>216,900</u> | <u>184,327</u> |

|   | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
|   | <b>£</b>    | <b>£</b>    |
| The average monthly head count of all employees, excluding trustees, was: |             |             |
| Charitable activities and governance                                      | <u>26</u>   | <u>21</u>   |

No employee earned more than £60,000 during the year (2022: no employee).

**8 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 (2022: £Nil).

**9 Movements in total funds for the year**

|  | <b>2023</b>  | <b>2022</b>   |
|--|--------------|---------------|
|  | <b>£</b>     | <b>£</b>      |
| This is stated after charging:                         |              |               |
| Depreciation   | 29,810       | 29,179        |
| Accountant's remuneration for independent examination  | 2,025        | 1,800         |
| Accountant's remuneration for other financial services | <u>4,550</u> | <u>12,840</u> |

**THE RACING CENTRE LTD.**

Notes forming part of the unaudited financial statements for the year ended 31 March 2023 (*Continued*)

**10 Tangible assets**

|                         | Long<br>leasehold<br>land and<br>buildings<br>£ | Fixtures and<br>equipment<br>£ | Plant &<br>Machinery<br>£ | Computer<br>Equipment<br>£ | Charity<br>Total<br>£ |
|-------------------------|---|--------------------------------|---------------------------|----------------------------|-----------------------|
| <i>Cost</i>             |   |                                |                           |                            |                       |
| At 1 April 2022         | 924,438   | 329,634                        | 11,575                    | 1,857                      | 1,267,505             |
| Additions               | -   | -                              | -                         | -                          | -                     |
| Disposals               | -   | -                              | -                         | -                          | -                     |
| <b>At 31 March 2023</b> | <b>924,438</b>                                  | <b>329,634</b>                 | <b>11,575</b>             | <b>1,857</b>               | <b>1,267,505</b>      |
| <i>Depreciation</i>     |   |                                |                           |                            |                       |
| At 1 April 2022         | 203,895   | 304,237                        | 3,434                     | 409                        | 511,974               |
| Provided for the year   | 12,967  | 14,063                         | 2,315                     | 464                        | 29,810                |
| Disposals               | -   | -                              | -                         | -                          | -                     |
| <b>At 31 March 2023</b> | <b>216,862</b>                                  | <b>318,300</b>                 | <b>5,749</b>              | <b>872</b>                 | <b>541,785</b>        |
| <i>Net book value</i>   |   |                                |                           |                            |                       |
| <b>At 31 March 2023</b> | <b>707,576</b>                                  | <b>11,334</b>                  | <b>5,826</b>              | <b>984</b>                 | <b>725,720</b>        |
| At 31 March 2022        | 720,543   | 25,397                         | 8,141                     | 1,449                      | 755,530               |

**11 Investments**

|   | 2023<br>£      | 2022<br>£      |
|---|----------------|----------------|
| <b>Market value</b>   |                |                |
| At 1 April 2022   | 315,739        | 399,644        |
| Disposals   | (108,255)      | 112,954        |
| Net investment gains/(losses)   | (13,236)       | 29,048         |
| <b>At 31 March 2023</b>   | <b>194,248</b> | <b>315,739</b> |
| <b>Cost at 31 March 2023</b>  | <b>-</b>       | <b>31,146</b>  |
| Net unrealised gains/(losses) included in net investment gains/(losses) in year | (13,236)       | 29,048         |

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 Café 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 2023 (Continued)

#### 11 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.

#### 12 Debtors

|                                    | Charity<br>2023<br>£ | Charity<br>2022<br>£ |
|------------------------------------|----------------------|----------------------|
| Trade Debtors                      | 9,649                | 9,650                |
| Amount due from subsidiary company | 163,388              | 150,837              |
| Inter-company Loan Provision       | (150,837)            | (150,837)            |
| Other debtors                      | 55                   | 169                  |
|                                    | <u>22,255</u>        | <u>9,819</u>         |

#### 13 Creditors: amounts falling due within one year

|                                       | Charity<br>2023<br>£ | Charity<br>2022<br>£ |
|---------------------------------------|----------------------|----------------------|
| Trade creditors                       | 1,538                | 2,073                |
| Other taxes and social security costs | 5,728                | 5,537                |
| Accruals and deferred income          | 2,025                | 1,800                |
| Other Creditors                       | 7,459                | 2,667                |
|                                       | <u>16,750</u>        | <u>12,077</u>        |

**THE RACING CENTRE LTD.**

**Notes forming part of the unaudited financial statements for the year ended 31 March 2023 (Continued)**

**14 Deferred income**

Deferred income comprises income received in advance.

|   | <b>Charity<br/>2023<br/>£</b> | <b>Charity<br/>2022<br/>£</b> |
|---|-------------------------------|-------------------------------|
| Balance as at 1 April 2022                                  | -                             | -                             |
| Amount released to income earned from charitable activities | -                             | -                             |
| Amount deferred in year                                     | -                             | -                             |
|   | <hr/>                         | <hr/>                         |
| Balance as at 31 March 2023                                 | -                             | -                             |
|   | <hr/>                         | <hr/>                         |

**15 Analysis of net assets between funds**

**Charity Funds – current year**

|                    | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>Charity<br/>Funds<br/>2023<br/>£</b> |
|--------------------|-------------------------------------|-----------------------------------|---|
| Tangible assets    | 176,808                             | 548,913                           | 725,720   |
| Investments        | 194,250                             | -                                 | 194,250   |
| Net current assets | 42,730                              | 8,252                             | 50,982  |
|                    | <hr/>                               | <hr/>                             | <hr/>   |
|                    | 413,787                             | 557,165                           | 970,952   |
|                    | <hr/>                               | <hr/>                             | <hr/>   |

**Charity Funds – prior year**

|                    | <b>Unrestricted<br/>Funds<br/>£</b> | <b>Restricted<br/>Funds<br/>£</b> | <b>Total<br/>Charity<br/>Funds<br/>2022<br/>£</b> |
|--------------------|-------------------------------------|-----------------------------------|---|
| Tangible assets    | 188,012                             | 567,518                           | 755,530   |
| Investments        | 315,741                             | -                                 | 315,741   |
| Net current assets | 52,504                              | 23,935                            | 76,439  |
|                    | <hr/>                               | <hr/>                             | <hr/>   |
|                    | 556,257                             | 591,453                           | 1,147,710   |
|                    | <hr/>                               | <hr/>                             | <hr/>   |

# THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2023 (Continued)

## 16 Unrestricted funds

### Current year

|                                 | General<br>Fund<br>£ | Designated<br>Fund<br>£ | Total<br>2023<br>£ |
|---------------------------------|----------------------|-------------------------|--------------------|
| Balance at 1 April 2022         | 240,518              | 315,739                 | 556,257            |
| Net income/(expenditure)        | (129,233)            | -                       | (129,233)          |
| Net investment gain             | -                    | (13,236)                | (13,236)           |
| Transfers                       | 108,255              | (108,255)               | -                  |
| <b>Balance at 31 March 2023</b> | <b>219,537</b>       | <b>194,250</b>          | <b>413,787</b>     |

### Prior year

|                                 | General<br>Fund<br>£ | Designated<br>Fund<br>£ | Total<br>2022<br>£ |
|---------------------------------|----------------------|-------------------------|--------------------|
| Balance at 1 April 2021         | 326,707              | 399,644                 | 726,351            |
| Net income/(expenditure)        | (199,143)            | -                       | (199,143)          |
| Net investment gain             | -                    | 29,048                  | 29,048             |
| Transfers                       | 112,954              | (112,954)               | -                  |
| <b>Balance at 31 March 2022</b> | <b>240,518</b>       | <b>315,739</b>          | <b>556,257</b>     |

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 17. 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 2023 (Continued)**

**17 Restricted funds**

| <b>Current year</b>                  | <b>Balance<br/>1 April<br/>2022<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Balance<br/>31 March<br/>2023<br/>£</b> |
|--------------------------------------|---|---------------------|--------------------------|--|
| The Racing Centre Refurbishment Fund | 146,291                                   | -                   | 1,278                    | 145,013                                    |
| Building Project Fund                | 405,087                                   | -                   | 11,689                   | 393,398                                    |
| Moller Trust Fund                    | 16,140                                    | -                   | 6,246                    | 9,894                                      |
| Sports England Fund                  | 990                                       | -                   | 383                      | 607  |
| Youth Engagement Project             | 15,000                                    | -                   | 15,000                   | -  |
| Teen Chill                           | 1,000                                     | -                   | 1,000                    | -  |
| Sports Day 2021                      | 1,072                                     | -                   | 1,072                    | -  |
| Staff Salary Subsidy Fund            | 5,023                                     | -                   | 5,023                    | -  |
| Yellow Brick Road                    | 850                                       | -                   | 850                      | -  |
| Community Support Grants 2022        | -   | 6,000               | 6,000                    | -  |
| Project Cold                         | -   | 9,400               | 1,148                    | 8,252                                      |
| New England Stud Racefit             | -   | 1,400               | 1,400                    | -  |
| <b>Total restricted funds</b>        | <b>591,453</b>                            | <b>16,800</b>       | <b>51,089</b>            | <b>557,165</b>                             |

| <b>Prior year</b>             | <b>Balance<br/>1 April<br/>2021<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Balance<br/>31 March<br/>2022<br/>£</b> |
|-------------------------------|---|---------------------|--------------------------|--|
| Bar Refurbishment Fund        | 148,250                                   | -                   | (1,959)                  | 146,291                                    |
| Building Project Fund         | 411,454                                   | -                   | (6,367)                  | 405,087                                    |
| Grow Together Fund            | 2,000                                     | -                   | (2,000)                  | -  |
| Moller Trust Fund             | 22,386                                    | -                   | (6,246)                  | 16,140                                     |
| Peter O'Sullivan Suite Fund   | 1,040                                     | -                   | (1,040)                  | -  |
| Sports England Fund           | 1,373                                     | -                   | (383)                    | 990  |
| Youth Engagement Project      | 15,000                                    | -                   | -                        | 15,000                                     |
| Digital Training Fund         | 20,000                                    | -                   | (20,000)                 | -  |
| Teen Chill                    | 1,000                                     | -                   | -                        | 1,000                                      |
| Sports Day 2021               | -   | 1,700               | (628)                    | 1,072                                      |
| Staff Salary Subsidy Fund     | -   | 30,000              | (24,977)                 | 5,023                                      |
| Yellow Brick Road             | -   | 6,000               | (5,150)                  | 850  |
| Community Helpline Fund       | -   | 278                 | (278)                    | -  |
| <b>Total restricted funds</b> | <b>622,503</b>                            | <b>37,978</b>       | <b>(69,028)</b>          | <b>591,453</b>                             |



## **THE RACING CENTRE LTD.**

### **Notes forming part of the unaudited financial statements for the year ended 31 March 2023 *(Continued)***

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#### **17 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 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.

Teen Chill and Youth Engagement Project represents funds provided by the Harris Family Fund, Police And Crime Commissioner and Groundwork UK for operational costs in relation events geared towards teenagers in the local community and support of mental wellbeing.

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

The Yellow Brick Road fund represents funding received to host activities along the Yellow Brick Road linear park, a footpath and community orchard connecting Newmarket's northern suburbs with the centre of Newmarket.

Community Support Grants represents grants given to individuals suffering from the cost-of-living crisis in Newmarket and surrounding villages.

Project Cold represents funds received for the provision of a soup kitchen, access to a warm space and the facilities to shower and for leisure purposes. This fund was set up to help those suffering financial hardship within the community.

The New England Stud Racefit fund represents funds received for the purchase of additional gym equipment.

## THE RACING CENTRE LTD.

Notes forming part of the unaudited financial statements for the year ended 31 March 2023 (Continued)

### 18 Related Party Transactions

The Racing Centre Ltd invoices the New Astley Bar Limited, a wholly owned trading subsidiary for services. The related to labour £38,973 (2022: £91,668) and £6,945 (2022: £6,548) for other services.

At 31 March 2023 the net amount owed to The Racing Centre Ltd. was £150,837 (2022: £150,837). During the year ended 31 March 2023, the trustees sought to review the indebtedness of the inter-entity position with the subsidiary and noted that whilst the Charity was committed to the subsidiary's activities as a whole and as an integral part to the overall effectiveness of the Charity's operations, it would be prudent to provide for the debt over the short term. The necessary transactions are reflected in these accounts. No gift aid donations are currently expected due to the financial performance of the subsidiary.

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 amounted to charges of £1,139 (2022: £1,935). The transactions were undertaken at standard market rates.

During the period, The Racing Centre Ltd did not contract with SG Fitness, a close link of Centre Manager John Gilbert previously providing subcontracted PT sessions to customers of The Racing Centre Ltd. This amounted to £Nil (2022: £465). 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 £21,565 (2022: £17,680). NARS is under common control of The Racing Centre Ltd's chairman, George McGrath. The transactions were undertaken at standard market rates.

### 19 Financial instruments

The carrying value of the charity's financial instruments at 31 March 2023 were:

|  | Charity<br>2023<br>£ | Charity<br>2022<br>£ |
|--|----------------------|----------------------|
| Financial assets:                                      |                      |                      |
| Debt instruments measured at<br>amortised cost         | -                    | -                    |
| Equity instruments measured at cost less impairment    | 2                    | 2                    |
| Instruments measured at fair value<br>through the SOFA | 194,248              | 319,892              |
|  | <u>194,250</u>       | <u>319,894</u>       |
| Financial liabilities:                                 |                      |                      |
| Measured at amortised cost                             | 17,118               | 12,077               |

**THE RACING CENTRE LTD.**

Notes forming part of the unaudited financial statements for the year ended 31 March 2023 (*Continued*)

**20 Comparative statement of financial activities by fund for the year ended 31 March 2022**

|                                     | Notes | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>charity<br>£ | 2021<br>Total<br>funds<br>£ |
|-------------------------------------|-------|----------------------------|--------------------------|-----------------------|-----------------------------|
| <b>Income from:</b>                 |       |                            |                          |                       |                             |
| Donations                           |       | 85,705                     | 37,978                   | 123,683               | 421,044                     |
| <i>Charitable activities:</i>       |       |                            |                          |                       |                             |
| Operation of Centre                 | 4     | 109,713                    | -                        | 109,713               | 36,135                      |
| Government Grants                   | 4     | 38,942                     | -                        | 38,942                | 41,268                      |
| Investments                         | 5     | 10,693                     | -                        | 10,693                | 12,262                      |
| <b>Total income</b>                 |       | <u>245,053</u>             | <u>37,978</u>            | <u>283,031</u>        | <u>510,709</u>              |
| <b>Expenditure on:</b>              |       |                            |                          |                       |                             |
| <i>Charitable activities:</i>       |       |                            |                          |                       |                             |
| Operation of Centre                 | 6     | 444,194                    | 69,028                   | 513,222               | 330,911                     |
| <b>Total expenditure</b>            |       | <u>293,357</u>             | <u>69,028</u>            | <u>513,222</u>        | <u>330,911</u>              |
| Net gains / (losses) on investments | 11    | 29,048                     | -                        | 29,048                | 58,405                      |
| <b>Net income / (expenditure)</b>   |       | <u>(170,093)</u>           | <u>(31,050)</u>          | <u>(201,143)</u>      | <u>238,203</u>              |
| <b>Transfers between funds</b>      |       | -                          | -                        | -                     | -                           |
| <b>Net movement in funds</b>        | 9     | <u>(170,093)</u>           | <u>(31,050)</u>          | <u>(201,143)</u>      | <u>238,203</u>              |
| <i>Reconciliation of funds</i>      |       |                            |                          |                       |                             |
| Total funds brought forward         |       | <u>726,351</u>             | <u>622,503</u>           | <u>1,348,854</u>      | <u>1,110,651</u>            |
| <b>Total funds carried forward</b>  |       | <u>556,258</u>             | <u>591,453</u>           | <u>1,147,710</u>      | <u>1,348,854</u>            |

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 2023

|                                      | 2023           | 2022           |
|--------------------------------------|----------------|----------------|
| <b>Turnover</b>                      |                |                |
| Government Grants                    | -              | 38,942         |
| Interest Income                      | -              | 4              |
| Investment income                    | 10,730         | 10,689         |
| Other Revenue                        | 11,823         | 2,537          |
| Other Revenue - Donations            | 74,929         | 77,206         |
| Other Revenue - Restricted Donations | 16,800         | 37,978         |
| Other Revenue - Trainers Pledge      | 10,054         | 8,500          |
| Sales - BT                           | 900            | 900            |
| Sales - Gym Membership               | 43,626         | 46,135         |
| Sales - Hall Hire                    | 47,437         | 36,647         |
| Sales - Office Rental                | 10,000         | 10,000         |
| Sales - Personal Training            | 3,967          | 4,242          |
| Sales - Racefit                      | 4,280          | 4,775          |
| Sales - Room Hire                    | 7,302          | 2,458          |
| Sales - Ticket Sales                 | 8              | 2,019          |
| <b>Total Turnover</b>                | <b>241,856</b> | <b>283,031</b> |
| <b>Cost of Sales</b>                 |                |                |
| Cost of Goods Sold                   | 7,275          | 1,909          |
| Direct Costs - Hardship Fund         | -              | 14             |
| Direct Expenses                      | 3,290          | 360            |
| Direct Wages                         | 15,928         | 6,702          |
| <b>Total Cost of Sales</b>           | <b>26,492</b>  | <b>8,984</b>   |
| <b>Gross Profit</b>                  | <b>215,364</b> | <b>274,046</b> |
| <b>Administrative Costs</b>          |                |                |
| Advertising & Marketing              | 3,572          | 8,026          |
| Audit & Accountancy fees             | 20,975         | 14,640         |
| Bank Fees                            | 3,450          | 2,861          |
| Cleaning & Refuse                    | 11,737         | 8,959          |
| Consulting                           | -              | 25,000         |
| Depreciation Expense                 | 10,214         | 11,424         |
| Depreciation Expense - Restricted    | 19,596         | 17,754         |
| Employers National Insurance         | 10,666         | 13,095         |
| Entertainment - 0%                   | -              | 164            |
| Entertainment-100% business          | 386            | 1,160          |
| Equipment Expense                    | 3,996          | 8,910          |
| General Expenses                     | (524)          | 2,693          |
| Grants paid                          | 4,000          | 135            |
| Insurance                            | 9,791          | 8,631          |
| Interest Paid                        | -              | 78             |
| IT Software and Consumables          | 3,917          | 3,866          |
| Legal Expenses                       | 190            | 241            |
| Licenses                             | 180            | 2,069          |
| Light, Power, Heating                | 35,416         | 14,166         |
| Pensions Costs                       | 5,074          | 5,907          |
| Postage, Freight & Courier           | 179            | 226            |
| Printing & Stationery                | 451            | 714            |
| Professional fees                    | 528            | -              |
| Racefit / Sports costs               | 60             | -              |
| Rates & water                        | 4,229          | 1,958          |
| Rent                                 | 600            | 468            |
| Repairs & Maintenance                | 9,557          | 10,386         |
| Salaries                             | 201,160        | 165,325        |
| Sky / BT TV                          | 5              | -              |
| Staff Expenses                       | 193            | 17             |
| Staff Training                       | 1,255          | 703            |
| Staff welfare                        | 375            | 2,008          |
| Subscriptions                        | 2,986          | 4,906          |
| Telephone & Internet                 | 11,903         | 14,079         |
| Travel - National                    | -              | -              |
| Trips / events                       | -              | -              |
| Vending Machine costs                | 2,770          | 2,830          |

**THE RACING CENTRE LTD.**

|   |                  |                  |
|---|------------------|------------------|
| <b>Total Administrative Costs</b>       | <b>378,886</b>   | <b>353,401</b>   |
| <b>Surplus / (deficit) for the year</b> | <b>(163,522)</b> | <b>(79,355)</b>  |
| <b>Other Income</b>                     |                  |                  |
| Net Investment gain / (Loss)            | (13,236)         | 29,048           |
| <b>Total Other Income</b>               | <b>(13,236)</b>  | <b>29,048</b>    |
| <b>Other Expenditure:</b>               |                  |                  |
| Inter-company Loan Provision            | -                | 150,837          |
| <b>Total Other Expenditure</b>          | <b>-</b>         | <b>150,837</b>   |
| <b>Net movement in funds</b>            | <b>(176,758)</b> | <b>(201,143)</b> |