

YEAR 2019/20

FINANCIAL STATEMENTS

for the year ended 31st March 2020

Required by

BRITISH HORSERACING AUTHORITY

In accordance with The Rules of Racing

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Name of Racecourse.....MUSSELBURGH.....

**Any Communications respecting this Form should be addressed to -
REGISTRY OFFICE OF THE BRITISH HORSERACING AUTHORITY
151 SHAFTESBURY AVENUE, LONDON WC2H 8AL**

Independent Auditor's report to the members of Musselburgh Racing Associated Committee

We have audited the financial statements of Musselburgh Racing Associated Committee for the year ended 31 March 2020, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention.

The report is made solely to the Committee's members as a body. Our audit work has been undertaken so that we might state to the Committee's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Committee and the Committee's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Committee and auditor

The Treasurer, on behalf of the Committee, is responsible for preparing the financial statements in accordance with the guidelines of the British Horseracing Authority.

Our responsibility is to audit the financial statements in accordance with our letter of engagement. The audit involved obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

We report to you our opinion as to whether the financial statements are properly compiled in accordance with the accounting policies set out on page 5. We also report to you if, in our opinion, the Committee has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

Opinion on financial statements

In our opinion the financial statements have been properly compiled in accordance with the accounting policies set out on page 5 and comply with its constitution.

Conclusions relating to going concern

We have nothing to report in respect of the following matters:

- the Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Committee's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Matters on which we require to report by exception

We have nothing to report in respect of the following matters where, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanation we require for the audit.

Azets Audit Services
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date:

**Musselburgh Racing Associated Committee
(formerly Musselburgh Joint Racing Committee)**

**Profit and Loss Account
for the year to 31st March 2020**

		2020		2019
Profit directly relating to race days -	£	£	£	£
Flat	1,187,048		461,644	
National Hunt	<u>642,546</u>		<u>480,389</u>	
		1,829,594		942,033
Add - Fixed income		<u>395,706</u>		<u>932,712</u>
		2,225,300		1,874,745
Deduct - Fixed expenditure		1,801,589		1,827,798
Profit for the year		<u>423,711</u>		<u>46,947</u>
Donation to East Lothian Council in relation to capital expenditure		(13,334)		(31,558)
Exceptional Costs - (Note 2)		(33,198)		(352,306)
Retained profit / (loss)		<u><u>377,179</u></u>		<u><u>(336,917)</u></u>

The notes on page 5 form part of the Financial Statements

**Musselburgh Racing Associated Committee
(formerly Musselburgh Joint Racing Committee)**

Balance Sheet at 31st March 2020

	Note	2020		2019
		£	£	£
FIXED ASSETS				
Investments	3	<u>74,462</u>	<u>74,462</u>	74,462
			74,462	
DEBTORS				
Debtors		963,544		1,035,879
Balance on Racecourse Bank Account		-		6,161
		<u>963,544</u>		<u>1,042,040</u>
CURRENT LIABILITIES				
CREDITORS :				
Balance on ELC Bank Account		(122,962)		(609,177)
Balance on Racecourse Bank Account	4	(175,010)		-
Amounts falling due within one year	5	(512,455)		(656,925)
		<u>(810,427)</u>		<u>(1,266,102)</u>
NET CURRENT ASSETS / (LIABILITIES)			153,117	(224,062)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>227,579</u>	<u>(149,600)</u>
CAPITAL AND RESERVES				
Other Reserves - Retained Profit	6		<u>227,579</u>	(149,600)
			<u>227,579</u>	<u>(149,600)</u>

The notes on pages 5 form part of the Financial Statements

Approved on

16 November 2020

Yvonne Damer
Chairman

Musselburgh Racing Associated Committee
(formerly Musselburgh Joint Racing Committee)
Notes to the Financial Statements 31st March 2020

(1) ACCOUNTING POLICIES**Accounting convention**

The financial statements are prepared under the historical cost convention.

Going concern

The operational existence of the racecourse is dependent on having fixtures (racemeetings). MRAC were operators up to 24 June 2020 and during that period were not able to open the racecourse to the public or hold behind closed door fixtures due to the COVID-19 pandemic.

However, at the balance sheet date the Committee is in a net asset position and has the continued support of the East Lothian Council who own the land from which the race course operates.

Musselburgh Racecourse Limited took over management of Musselburgh Racecourse from Musselburgh Racing Associated Committee on 24 June 2020 under a 10-year operating agreement. Musselburgh Racecourse Limited exists as part of the Chester Race Company Limited portfolio.

The members of MRAC have a reasonable expectation that with regard to the circumstances outlined above, the racecourse has adequate resources to continue in operational existence until 24 June 2020.

Investments

Investments are initially recognised at cost are then determined at valuation annually.

Income

Profit directly relating to race days represents admission and other related income including sponsorship less direct race day expenditure and net prize money.

Fixed expenditure

Fixed expenditure represents the costs of running the racecourse which cannot be attributed directly to individual race days. These are recognised in the year in which they occur.

Taxation

The Committee is exempt from taxation.

(2) EXCEPTIONAL COSTS

	2020	2019
	£	£
Tender Process - Legal Fees	20,909	295,189
Tender Process - General Costs	3,252	10,525
Tender Process - Open Day	-	19,191
Other Legal Fees - HR Advice	9,037	6,921
Other Legal Fees - Employee Claim	-	20,480
	<u>33,198</u>	<u>352,306</u>

(3) INVESTMENTS

	£
Cost or valuation	74,462
Balance at 1 April 2019	-
Additions	-
At 31 March 2020	<u>74,462</u>

Investments at 31 March 2020 consist of a 1.6% stake in Britbet Racing LLP.

The value of the investment at the year-end is the value of the capital introduced into the LLP.

The committee have considered the valuation of this at the year-end and are satisfied that no adjustment to the carrying value is required.

(4) OVERDRAWN RACE COURSE BANK ACCOUNT

At the balance sheet date the bank account is over drawn by £175,010. East Lothian Council act as guarantors for the bank account.

(5) CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
VAT	14,623	31,684
Deferred Income	333,588	402,941
Other Creditors	164,244	222,300
	<u>512,455</u>	<u>656,925</u>

(6) RETAINED PROFIT

	2020	2019
	£	£
Balance at beginning	(149,600)	187,317
Profit / (loss) for the year	377,179	(336,917)
Balance at end	<u>227,579</u>	<u>(149,600)</u>

(7) POST BALANCE SHEET EVENT

Musselburgh Racecourse Limited took over management of Musselburgh Race Course from Musselburgh Racing Associated Committee on 24 June 2020. This is under a 10 year operating agreement.