



REPORT TO: Audit and Governance Committee

MEETING DATE: Tuesday 24 November 2020

BY: Depute Chief Executive (Resources and People Services)

SUBJECT: Musselburgh Racing Associated Committee – Financial Performance 2020/21

1 PURPOSE

- 1.1 To report to the Audit & Governance Committee on the Racecourse financial performance from 1st April 2020 to 23 June 2020. The Musselburgh Racing Associated Committee (MRAC) passed over the operation of the Racecourse to Musselburgh Racecourse Company Limited (MRL) on 24 June 2020.

2 RECOMMENDATIONS

- 2.1 The Audit & Governance Committee are asked to note and approve the report.

3 BACKGROUND

2020-21 Financial Performance

- 3.1 The unaudited accounts show a loss for the year 2020-21 (1 April to 23 June) of £303,071
- 3.2 Income from the sale of the Racecourse plant, machinery and equipment to the new operating company (MRL) is £135,000
- 3.3 The loss before non-recurring, unbudgeted exceptional costs is £168,071
- 3.4 The retained profit (reserves) at the beginning of the year was £227,579
- 3.5 The retained profit (reserves) at the end of the year before non-recurring, unbudgeted exceptional costs is £59,508
- 3.6 Non-recurring, unbudgeted exceptional costs are £15,875

- 3.7 The net increase/decrease in retained profit (reserves) for the year is a decrease of £183,946
- 3.8 The retained profit (reserves) at the end of the year (23 June 2020) is a surplus of £43,633.

Commentary

- 3.9 There was no racing during the period 1 April 2020 to 23 June 2020. The loss directly relating to racedays (£37,768) is due to the expenditure already incurred before the onset of Covid-19 and the lock-down period (e.g. advertising for the Easter Saturday raceday).
- 3.10 Fixed income (£118,880) is from the Government's furlough job retention scheme and the previous year's adjustment.
- 3.11 Fixed Expenditure (£384,183) includes wages, rent, insurance grounds and grandstand maintenance, heat & light, audit fees, IT fees etc.
- 3.12 Exceptional costs (£15,875) arise from the cost of the TUPE from the MRAC to Musselburgh Racecourse Limited and fees for a traffic travel plan following closure of the Electric Bridge.

Audit process

- 3.13 The Racecourse Auditors, Azets (formerly Scott-Moncrief) have stated that they will commence the 2020-21 audit for the period 1 April to 23 June 2020 in January 2021.

4 POLICY IMPLICATIONS

- 4.1 None.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – See above
- 6.2 Personnel - None
- 6.3 Other – None

7 BACKGROUND PAPERS

7.1 None.

Appendix - 2020-21 Draft Final Accounts

AUTHOR'S NAME	Carlo Grilli
DESIGNATION	Service Manager - Legal
CONTACT INFO	cgrilli@eastlothian.gov.uk
DATE	Tuesday, 17 November 2020

DRAFT FINAL ACCOUNTS

YEAR 2020/21

FINANCIAL STATEMENTS

for the period ended 23rd June 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**

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

Profit and Loss Account

for the period to 23rd June 2020

		2021		2020
Profit directly relating to race days -	£	£	£	£
Flat	37,768)		1,187,048	
National Hunt	<u>-</u>		<u>642,546</u>	
Add - Fixed income		(37,768)		1,829,594
		<u>118,880</u>		<u>395,706</u>
		81,112		2,225,300
Deduct - Fixed expenditure		384,183		1,801,589
Profit/ (Loss) for the year		(<u>303,071</u>)		<u>423,711</u>
Donation to East Lothian Council in relation to capital expenditure		(-)		(13,334)
Sale of Assets Vehicles/Plant MRL		135,000		-
Exceptional Costs - (Note 2)		(15,875)		(33,198)
Retained (loss) / profit		(<u><u>183,946</u></u>)		(<u><u>377,179</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 23rd June 2020

	2021		2020	
	£	£	£	£
FIXED ASSETS				
Investments (Note 3)	-	-	74,462	74,462
DEBTORS				
Debtors	442,740		963,544	
Balance on Racecourse Bank Account	-	-	-	
	442,740		963,544	
CURRENT LIABILITIES				
CREDITORS :				
Balance on ELC Bank Account	(78,403)		(122,962)	
Balance on Racecourse Bank Account	(190,545)		(175,010)	
Amounts falling due within one year (Note 4)	(130,159)		(512,455)	
	(399,107)		(810,427)	
NET CURRENT (LIABILITIES) / ASSETS		43,633		(153,117)
TOTAL ASSETS LESS CURRENT LIABILITIES		43,633		(227,579)
 CAPITAL AND RESERVES				
Other Reserves - Retained Profit (Note 5)		43,633		(227,579)
		43,633		(227,579)

The notes on pages 5 form part of the Financial Statements

Approved on

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Chairman

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

Notes to the Financial Statements 23rd June 2020

(1) ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

Investments

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

	£
Tupe Fees	9,124
Traffic Management	6,751
	-
	-
	<u>15,875</u>

(3) INVESTMENTS

	£
Cost or valuation	
Balance at beginning	74,462
Repayment	74,462
At 31 March 2019	<u>-</u>

(4) CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other Creditors	512,455	512,455

(5) RETAINED PROFIT

	2021	2020
	£	£
Balance at beginning	227,579	(149,600)
(Loss) / profit for the year	(183,946)	377,179
Balance at end	<u>43,633</u>	<u>227,579</u>