

**REGISTRAR OF
COMPANIES****Dunstall Park Centre Limited****Report and Financial Statements****Period Ended****31 March 2000****BDO Stoy Hayward**
Chartered Accountants

DUNSTALL PARK CENTRE LIMITED

Annual report and financial statements for the period ended 31 March 2000

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Directors

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Directors

R J Muddle
WA Parker
M E Pope
G T Parr
I R Penrose

Secretary and registered office

W A Parker, Dunstall Park, Gorsebrook Road, Wolverhampton, WV6 0PE.

Company number

2159607

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

DUNSTALL PARK CENTRE LIMITED

Report of the directors for the period ended 31 March 2000

The directors present their report together with the audited financial statements for the period ended 31 March 2000.

Results and dividends

The profit and loss account is set out on page 4 and shows the profit for the period.

The directors do not recommend a final ordinary dividend (1998 - £Nil).

Principal activities, trading review and future developments

The principal activity of the company is that of operator of Wolverhampton Racecourse, West Midlands, a leisure complex embracing a racecourse, conference and exhibition centre and hotel.

The directors are pleased to report a solid performance during the period under review.

Directors

The directors of the company during the period were:

		Ordinary shares	
		31 March 2000	31 December 1998
R A Muddle	(resigned 26 July 1999)	-	1
R J Muddle		-	-
Brigadier A Parker Bowles	(resigned 26 July 1999)	-	-
W A Parker		-	-
G T Lowndes	(resigned 26 July 1999)	-	-
M E Pope	(appointed 26 July 1999)	-	-
G T Parr	(appointed 26 July 1999)	-	-
I R Penrose	(appointed 26 July 1999)	-	-

The interests of the directors in the shares and share options of the parent company are shown in the directors report of that company.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DUNSTALL PARK CENTRE LIMITED

Report of the directors for the period ended 31 March 2000 (*Continued*)

Directors' responsibilities (*Continued*)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

BDO Stoy Hayward, who were appointed during the period, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the Board

I R Penrose



Director

31 July 2000

DUNSTALL PARK CENTRE LIMITED

Report of the auditors

To the shareholders of Dunstall Park Centre Limited

We have audited the financial statements on pages 4 to 15 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

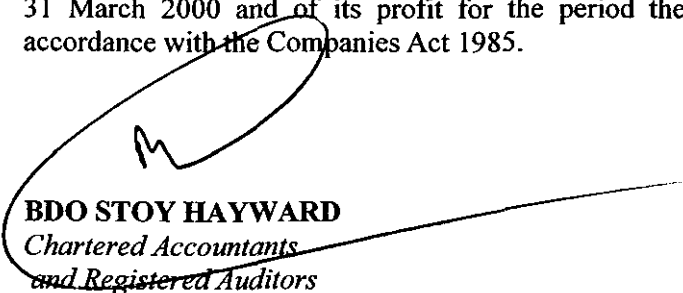
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
London

31 July 2000

DUNSTALL PARK CENTRE LIMITED**Profit and loss account for the period ended 31 March 2000**

	Note	Period ended 31 March 2000 £	Year ended 31 December 1998 £
Turnover	1,2	5,051,856	2,839,634
Cost of sales		(3,185,607)	(1,880,268)
Gross profit		1,866,249	959,366
Administrative expenses		(1,684,168)	(1,180,463)
Operating profit/(loss)		182,081	(221,097)
Interest receivable and similar income		16,560	-
Income from fixed asset investment	5	-	335,036
Interest payable and similar charges	6	(45,010)	(137,985)
Profit/(loss) on ordinary activities before taxation	7	153,631	(24,046)
Taxation on ordinary activities	8	-	67,008
Profit/(loss) for the financial period	17	153,631	(91,054)

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The profit for the period represents the movement in shareholders' funds.

The notes on pages 6 to 15 form part of these financial statements.

DUNSTALL PARK CENTRE LIMITED

Balance sheet at 31 March 2000

	Note	31 March 2000 £	31 December 1998 £
Fixed assets			
Tangible assets	9	11,976,056	12,395,695
Investments	10	194,701	211,227
		<u>12,170,757</u>	<u>12,606,922</u>
Current assets			
Stocks	11	47,643	23,897
Debtors	12	1,990,575	2,105,604
Cash at bank and in hand		<u>512,432</u>	<u>8,136</u>
		2,550,650	2,137,637
Creditors: amounts falling due within one year	13	<u>(6,128,401)</u>	<u>(5,283,992)</u>
Net current liabilities		<u>(3,577,751)</u>	<u>(3,146,355)</u>
Total assets less current liabilities		<u>8,593,006</u>	<u>9,460,567</u>
Creditors: amounts falling due after more than one year	14	(890,000)	(2,050,762)
Accruals and deferred income	15	(7,363,019)	(7,223,449)
		<u>339,987</u>	<u>186,356</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	339,887	186,256
Equity shareholders' funds	18	<u>339,987</u>	<u>186,356</u>

The financial statements were approved by the Board on 31 July 2000

I R Penrose
Director



The notes on pages 6 to 15 form part of these financial statements.

DUNSTALL PARK CENTRE LIMITED

Notes forming part of the financial statements for the period ended 31 March 2000

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents the amounts received by the company for goods and services provided during the period from its racing, hotel and related activities, excluding value added tax.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost of valuation less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their estimated useful economic lives. Depreciation is provided on a straight line basis as follows:

Freehold buildings	-	2% per annum
Flood lights	-	equally over twenty years on cost
All weather track	-	equally over twenty years on cost
Plant and equipment	-	10% on cost
Hotel fixtures	-	25% on cost (included under plant and machinery in note 9)
Motor vehicles	-	25% on cost

In previous accounting periods the directors considered that the lives of freehold buildings and their residual values, based on prices prevailing at the time of acquisition or subsequent revaluation, were such that the depreciation would not be material. However, the directors have reassessed the useful lives of these assets and in compliance with FRS 15 have decided that they should be depreciated over 50 years.

Deferred taxation

Deferred tax is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

Grants

Capital based grants are included within accruals and deferred income in the balance sheet and credited to trading profit over the estimated useful economic lives of the assets which they relate.

Capital credits

Capital credits are included within accruals and deferred income in the balance sheet and credited to trading profit over the estimated useful economic lives of the assets to which they relate.

DUNSTALL PARK CENTRE LIMITED

Notes forming part of the financial statements for the period ended 31 March 2000 (*Continued*)

2 Segmental information

	Period ended 31 March 2000 £	Year ended 31 December 1998 £
Turnover		
Racecourse operations	4,366,863	2,220,148
Other operations	684,993	619,486
	<u>5,051,856</u>	<u>2,839,634</u>

3 Employees

	Period ended 31 March 2000 £	Year ended 31 December 1998 £
Staff costs consist of:		
Wages and salaries	1,148,703	833,495
Social security costs	80,284	63,068
	<u>1,228,987</u>	<u>896,563</u>
The average number of employees, including directors, during the period was	Number	Number
Office and management	9	7
Racecourse operation	30	30
Other	117	43
	<u>156</u>	<u>80</u>

DUNSTALL PARK CENTRE LIMITED**Notes forming part of the financial statements for the period ended 31 March 2000 (Continued)****4 Directors**

	Period ended 31 March 2000 £	Year ended 31 December 1998 £
Directors' emoluments consist of:		
Remuneration	46,833	44,952
Social security costs	3,898	2,822
	<u>50,731</u>	<u>47,774</u>

5 Income from fixed asset investments

	Period ended 31 March 2000 £	Year ended 31 December 1998 £
Dividends received	-	335,036
	<u>-</u>	<u>335,036</u>

6 Interest payable and similar charges

	Period ended 31 March 2000 £	Year ended 31 December 1998 £
On bank loans and overdrafts	45,010	137,985
	<u>45,010</u>	<u>137,985</u>

7 Profit/(loss) on ordinary activities before taxation

	Period ended 31 March 2000 £	Year ended 31 December 1998 £
This is stated after charging/(crediting):		
Depreciation of tangible fixed assets	660,310	501,344
Auditors' remuneration	10,550	9,500
Amortisation of capital credits and grants	(296,659)	(134,733)
	<u>374,201</u>	<u>376,111</u>

DUNSTALL PARK CENTRE LIMITED

Notes forming part of the financial statements for the period ended 31 March 2000 (Continued)

8 Taxation on profit on ordinary activities

	Period ended 31 March 2000 £	Year ended 31 December 1998 £
Tax on franked investment income	-	67,008

No taxation arises this year due to the availability of group losses.

9 Tangible assets

	All weather track £	Freehold land and buildings £	Flood lights £	Plant and machinery £	Motor vehicles £	Total £
<i>Cost or valuation</i>						
At 1 January						
1999	1,312,500	9,139,795	1,022,727	3,023,289	90,779	14,589,090
Additions	64,791	7,493	-	176,886	1,550	250,720
Disposals	-	-	-	-	(59,950)	(59,950)
Transfers	-	(4,218)	-	4,218	-	-
At 31 March 2000	1,377,291	9,143,070	1,022,727	3,204,393	32,379	14,779,860
<i>Depreciation</i>						
At 1 January						
1999	328,125	-	340,909	1,452,851	71,510	2,193,395
Charge for period	86,081	50,000	63,920	451,636	8,673	660,310
Disposals	-	-	-	-	(49,901)	(49,901)
At 31 March 2000	414,206	50,000	404,829	1,904,487	30,282	2,803,804
<i>Net book value</i>						
At 31 March 2000	963,085	9,093,070	617,898	1,299,906	2,097	11,976,056
At 31 December 1998	984,375	9,139,795	681,818	1,570,438	19,269	12,395,695

Included with the total net book value of plant and equipment is £37,820 (1998 - £63,125) held under finance leases and similar hire purchase contracts. Depreciation for the period on these assets was £6,100 (1998 - £7,750).

DUNSTALL PARK CENTRE LIMITED

Notes forming part of the financial statements for the period ended 31 March 2000 (Continued)

10 Fixed asset investments	£	£
Shares held in Satellite Information Services Limited at cost:		
At 1 January 1999	194,701	
Transferred from group undertaking	-	
At 31 March 2000		194,701
Racehorses at cost:		
At 1 January 1999	16,526	
Disposals	(16,526)	
At 31 March 2000		194,701

11 Stocks	31 March 2000 £	31 December 1998 £
Finished goods and goods for resale	47,643	23,897

12 Debtors	31 March 2000 £	31 December 1998 £
Trade debtors	160,584	286,967
Amounts owed by group undertakings	1,470,671	1,549,371
Other debtors	291,976	232,480
Corporation tax	8,620	8,619
Prepayments and accrued income	58,724	28,167
	1,990,575	2,105,604

Included in debtors is an amount of £Nil (1998 - £3,774) relating to directors' loan account.

DUNSTALL PARK CENTRE LIMITED

Notes forming part of the financial statements for the period ended 31 March 2000 (*Continued*)

13 Creditors: amounts falling due within one year

	31 March 2000 £	31 December 1998 £
Bank loans and overdrafts	-	471,586
Horserace Betting Levy Board loan	251,250	220,000
Obligations under hire purchase contracts	10,262	15,660
Trade creditors	315,634	283,786
Amounts owed to group undertakings	5,276,641	4,051,369
Other taxation and social security costs	27,923	53,966
Other creditors	246,691	187,625
	<u>6,128,401</u>	<u>5,283,992</u>

14 Creditors: amounts falling due after more than one year

	31 March 2000 £	31 December 1998 £
Bank loan	-	960,500
Horserace Betting Levy Board loan	890,000	1,080,000
Obligations under hire purchase contracts	-	10,262
	<u>890,000</u>	<u>2,050,762</u>

The bank loan is repayable in instalments as follows:

Within two to five years	-	960,500
	<u>-</u>	<u>960,500</u>

The bank overdraft and loan are secured a fixed charge over the freehold land. The bank loan is repayable on monthly instalments and interest applied at 1% above the base rate.

The Horserace Betting Levy Board has provided interest free loans to the company, secured on the floating assets. The loans are repayable in equal instalments over ten years.

	31 March 2000 £	31 December 1998 £
This loan is due for repayment as follows:		
Within one to two years	245,000	220,000
Within two to five years	645,000	860,000
More than five years	-	-
	<u>890,000</u>	<u>1,080,000</u>

DUNSTALL PARK CENTRE LIMITEDNotes forming part of the financial statements for the period ended 31 March 2000 *(Continued)***14 Creditors: amounts falling due after more than one year *(Continued)***

Hire purchase contracts

The maturity of obligations under finance leases and hire purchase contracts is as follows:

	31 March 2000 £	31 December 1998 £
Within one year	10,262	15,660
In the second to fifth years	-	10,262
	<u>10,262</u>	<u>25,922</u>

15 Accruals and deferred income

	31 March 2000 £	31 December 1998 £
Capital credits	4,009,515	3,783,957
Repayable if the property ceases to be used as a racecourse.		
Department of Environment grants	2,930,754	3,005,902
Repayable under certain circumstances.		
Sundry capital grant contributions		
Tote	143,455	147,133
Ladbrokes	48,750	50,000
City Challenge	230,545	236,457
	<u>3,353,504</u>	<u>3,439,492</u>
	<u>7,363,019</u>	<u>7,223,449</u>

Sundry capital grant contributions are non refundable.

DUNSTALL PARK CENTRE LIMITED

Notes forming part of the financial statements for the period ended 31 March 2000 (*Continued*)

15 Accruals and deferred income (*Continued*)

	31 March 2000 £	31 December 1998 £
To be amortised:		
Within on year	237,327	134,733
Within two to five years	949,309	538,932
After more than five years	6,176,383	1,008,025
Not being amortised	-	5,541,759
	<u>7,363,019</u>	<u>7,223,449</u>

16 Share capital

	Authorised, allotted, called up and fully paid			
	31.3.2000 Number	31.12.1998 Number	31.3.2000 £	31.12.1998 £
Ordinary shares of £1 each	100	100	100	100

17 Profit and loss account

	31 March 2000 £	31 December 1998 £
At 1 January 1999	186,256	277,310
Profit/(loss) for the financial period	153,631	(91,054)
	<u>339,887</u>	<u>186,256</u>
At 31 March 2000		

DUNSTALL PARK CENTRE LIMITED

Notes forming part of the financial statements for the period ended 31 March 2000 (*Continued*)

18 Reconciliation of movements in shareholders' funds

	31 March 2000 £	31 December 1998 £
Profit/(loss) for the financial period	153,631	(91,054)
Opening shareholders' funds	186,356	277,410
Closing shareholders' funds	339,987	186,356

19 Deferred tax

At the period end there was a deferred tax asset therefore no provision for deferred tax is required.

20 Commitments

There were no capital commitments at 31 March 2000 (1998 - £Nil).

21 Contingencies

The company has guaranteed the bank borrowings of its parent undertaking and fellow subsidiary undertakings.

The company has guaranteed an amount of \$50,000 to the benefit of Holiday Inns Incorporated in relation to the hotel franchise.

22 Related party transactions

The company has taken advantage of the exemption contained within Financial Reporting Standard 8 "Related Party Transactions" not to disclose transactions with entities that are included in the consolidated financial statements of Arena Leisure PLC.

DUNSTALL PARK CENTRE LIMITED

Notes forming part of the financial statements for the period ended 31 March 2000 (*Continued*)

23 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.

24 Ultimate parent company

The immediate parent company is R.A.M. Racing Leisure Limited.

The ultimate holding company is Arena Leisure PLC which is incorporated in Great Britain. A copy of the financial statements can be obtained from the company's registered office, 1 Hay Hill, Berkeley Square, London, W1X 7LF.