

**REGISTRAR OF
COMPANIES**

Dunstall Park Centre Limited

Report and Financial Statements

Period Ended

31 December 2000



BDO Stoy Hayward
Chartered Accountants



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DUNSTALL PARK CENTRE LIMITED

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

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Directors

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Directors

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, W1U 3LL.

DUNSTALL PARK CENTRE LIMITED

Report of the directors for the period ended 31 December 2000

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

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the period.

The directors do not recommend a final ordinary dividend (31 March 2000 - £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 and expect this to continue in the future.

Directors

The directors of the company during the period were:

R J Muddle	(resigned 10 May 2001)
W A Parker	
M E Pope	
G T Parr	
I R Penrose	

None of the directors had any interest in the shares of the company during the period.

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 December 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

26 June 2001

DUNSTALL PARK CENTRE LIMITED

Report of the independent auditors

To the shareholders of Dunstall Park Centre Limited

We have audited the financial statements of Dunstall Park Centre Limited on pages 5 to 15 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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.

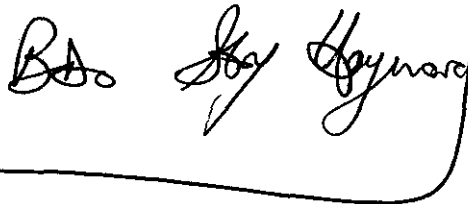
DUNSTALL PARK CENTRE LIMITED

Report of the independent auditors

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 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

A handwritten signature in dark ink, appearing to read 'BDO Stoy Hayward', is written over a long, horizontal, slightly wavy line that extends from the left towards the right.

26 June 2001

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

	Note	9 months ended 31 December 2000 £	15 months to 31 March 2000 £
Turnover	1,2	3,200,025	5,051,856
Cost of sales		(2,451,569)	(3,185,607)
Gross profit		748,456	1,866,249
Administrative expenses		(770,747)	(1,684,168)
Operating (loss)/profit		(22,291)	182,081
Interest receivable and similar income		26,557	16,560
Interest payable and similar charges	5	-	(45,010)
Profit on ordinary activities before and after taxation, and retained	6,16	4,266	153,631

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 7 to 15 form part of these financial statements.

DUNSTALL PARK CENTRE LIMITED

Balance sheet at 31 December 2000

	Note	31 December 2000 £	31 December 2000 £	31 March 2000 £	31 March 2000 £
Fixed assets					
Tangible assets	8		11,874,064		11,976,056
Investments	9		194,701		194,701
			12,068,765		12,170,757
Current assets					
Stocks	10	51,777		47,643	
Debtors	11	2,094,704		1,990,575	
Cash at bank and in hand		<u>684,775</u>		<u>512,432</u>	
		2,831,256		2,550,650	
Creditors: amounts falling due within one year	12	<u>6,484,682</u>		<u>6,128,401</u>	
Net current liabilities			(3,653,426)		(3,577,751)
Total assets less current liabilities			8,415,339		8,593,006
Creditors: amounts falling due after more than one year	13		(665,000)		(890,000)
Accruals and deferred income	14		(7,406,086)		(7,363,019)
			344,253		339,987
Capital and reserves					
Called up share capital	15		100		100
Profit and loss account	16		344,153		339,887
Shareholders' funds - equity			344,253		339,987

The financial statements were approved by the Board on 26 June 2001

I R Penrose
Director



The notes on pages 7 to 15 form part of these financial statements.

DUNSTALL PARK CENTRE LIMITED

Notes forming part of the financial statements for the period ended 31 December 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 periods on cost
All weather track	- equally over twenty periods on cost
Plant and equipment	- 10% on cost
Hotel fixtures	- 25% on cost (included under plant and machinery in note 8)
Motor vehicles	- 25% on cost

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 to 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.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

DUNSTALL PARK CENTRE LIMITED

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

1 Accounting policies (*Continued*)

Leased assets (Continued)

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives to enter into operating lease agreements are initially recorded as deferred income and released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

2 Segmental information

	9 months ended 31 December 2000 £	15 months to 31 March 2000 £
Turnover		
Racecourse operations	2,728,918	4,366,863
Other operations	471,107	684,993
	<u>3,200,025</u>	<u>5,051,856</u>

3 Employees

	9 months ended 31 December 2000 £	15 months to 31 March 2000 £
Staff costs consist of:		
Wages and salaries	752,310	1,148,703
Social security costs	51,415	80,284
	<u>803,725</u>	<u>1,228,987</u>
The average number of employees, including directors, during the period was	Number	Number
Office and management	10	9
Racecourse operation	33	30
Other	129	117
	<u>172</u>	<u>156</u>

DUNSTALL PARK CENTRE LIMITED

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

4 Directors

	9 months ended 31 December 2000 £	15 months to 31 March 2000 £
Directors' emoluments consist of:		
Remuneration	13,500	46,833
Social security costs	1,112	3,898
	<u>14,612</u>	<u>50,731</u>

5 Interest payable and similar charges

	9 months ended 31 December 2000 £	15 months to 31 March 2000 £
On bank loans and overdrafts	-	45,010

6 Profit on ordinary activities before taxation

	9 months ended 31 December 2000 £	15 months to 31 March 2000 £
This is stated after charging/(crediting):		
Depreciation of tangible fixed assets	392,885	660,310
Auditors' remuneration	16,000	10,550
Amortisation of capital credits and grants	(181,933)	(296,659)

7 Taxation on profit on ordinary activities

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

DUNSTALL PARK CENTRE LIMITED

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

8 Tangible assets

	All weather track £	Freehold land and buildings £	Flood lights £	Plant and machinery £	Motor vehicles £	Total £
<i>Cost or valuation</i>						
At 1 April 2000	1,377,291	9,143,070	1,022,727	3,204,393	32,379	14,779,860
Additions	24,965	808	-	211,115	54,005	290,893
At 31 December 2000	1,402,256	9,143,878	1,022,727	3,415,508	86,384	15,070,753
<i>Depreciation</i>						
At 1 April 2000	414,206	50,000	404,829	1,904,487	30,282	2,803,804
Charge for period	52,584	37,500	38,353	253,000	11,448	392,885
At 31 December 2000	466,790	87,500	443,182	2,157,487	41,730	3,196,689
<i>Net book value</i>						
At 31 December 2000	935,466	9,056,378	579,545	1,258,021	44,654	11,874,064
At 31 March 2000	963,085	9,093,070	617,898	1,299,906	2,097	11,976,056

Included with the total net book value of plant and equipment is £Nil (31 March 2000 - £37,820) held under finance leases and similar hire purchase contracts. Depreciation for the period on these assets was £Nil (31 March 2000 - £6,100).

9 Fixed asset investments

Shares held in Satellite Information Services Limited at cost:
At 1 April 2000 and at 31 December 2000

£
194,701

DUNSTALL PARK CENTRE LIMITED

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

10 Stocks

	31 December 2000 £	31 March 2000 £
Finished goods and goods for resale	51,777	47,643

11 Debtors

	31 December 2000 £	31 March 2000 £
Trade debtors	209,978	160,584
Amounts owed by group undertakings	1,638,537	1,470,671
Other debtors	197,438	291,976
Corporation tax	8,620	8,620
Prepayments and accrued income	40,131	58,724
	2,094,704	1,990,575

12 Creditors: amounts falling due within one period

	31 December 2000 £	31 March 2000 £
Horserace Betting Levy Board loan	251,250	251,250
Obligations under hire purchase contracts	-	10,262
Trade creditors	354,751	315,634
Amounts owed to group undertakings	5,609,181	5,276,641
Other taxation and social security costs	37,514	27,923
Other creditors	231,986	246,691
	6,484,682	6,128,401

DUNSTALL PARK CENTRE LIMITEDNotes forming part of the financial statements for the period ended 31 December 2000 (*Continued*)**13 Creditors: amounts falling due after more than one period**

	31 December 2000 £	31 March 2000 £
Horserace Betting Levy Board loan	665,000	890,000

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 periods.

	31 December 2000 £	31 March 2000 £
This loan is due for repayment as follows:		
Within one to two periods	245,000	245,000
Within two to five periods	420,000	645,000
More than five periods	-	-
	665,000	890,000

Hire purchase contracts

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

	31 December 2000 £	31 March 2000 £
Within one period	-	10,262
In the second to fifth periods	-	-
	-	10,262

DUNSTALL PARK CENTRE LIMITED

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

14 Accruals and deferred income

	31 December 2000 £	31 March 2000 £
Capital credits	4,104,175	4,009,515
Repayable if the property ceases to be used as a racecourse.		
Department of Environment grants	2,885,665	2,930,754
Repayable under certain circumstances.		
Sundry capital grant contributions		
Tote	141,248	143,455
Ladbrokes	48,000	48,750
City Challenge	226,998	230,545
	3,301,911	3,353,504
	7,406,086	7,363,019
Sundry capital grant contributions are non refundable.		
To be amortised:		
Within on period	242,577	237,327
Within two to five periods	970,309	949,309
After more than five periods	6,193,200	6,176,383
	7,406,086	7,363,019

DUNSTALL PARK CENTRE LIMITED

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

15 Share capital

	Authorised, allotted, called up and fully paid			
	31 December 2000 Number	31 March 2000 Number	31 December 2000 £	31 March 2000 £
Ordinary shares of £1 each	100	100	100	100

16 Profit and loss account

	9 months ended 31 December 2000 £	15 months to 31 March 2000 £
At 1 April 2000	339,887	186,256
Profit for the financial period	4,266	153,631
At 31 December 2000	344,153	339,887

17 Deferred tax

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

18 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.

19 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 December 2000 (*Continued*)

20 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.

21 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 1 Hay Hill, Berkeley Square, London, W1X 7LF.