

2159607

Wolverhampton Racecourse Limited

Report and Financial Statements

Year Ended

31 December 2007

SATURDAY



AWZEE243

A09

09/08/2008

48

COMPANIES HOUSE

Wolverhampton Racecourse Limited

Annual Report and financial statements for the year ended 31 December 2007

Contents

Directors

Page:

1	Report of the Directors
5	Report of the independent auditors
7	Profit and Loss Account
8	Balance Sheet
9	Notes forming part of the financial statements

Directors

R I Renton
WA Parker
R Mercer
M J Elliott
D A Roberts

Secretary and registered office

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

Company number

2159607

Auditors

KPMG Audit Plc, 8 Salisbury Square, London, EC4Y 8BB

Wolverhampton Racecourse Limited

Report of the Directors for the year ended 31 December 2007

The Directors present their Report together with the audited financial statements for the year ended 31 December 2007

Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year

The Directors did not pay an interim dividend during the year (2006 £1,580,000)

Principal activity

The principle activity of the Company is that of operator of Wolverhampton Racecourse in the West Midlands, a leisure complex embracing a floodlit all-weather racecourse, conference and exhibition centre and hotel

Business Review

In 2007, Wolverhampton Racecourse staged a record 121 race meetings (2006 111) and achieved an operating profit of £1.7m (2006 £2.0m). The number of race meetings was enhanced by fixture transfers from Great Leighs Racecourse as a result of delays in its scheduled opening. Total attendances of 91,000 were achieved (2006 86,000). Prize money payments reduced in 2007 to £3.4m (2006 £3.7m).

Racecourse developments

Planning permission was received for an expansion of the existing hotel from 54 bedrooms to 170 bedrooms, the construction of a new conference, exhibition and banqueting suite, a new leisure facility featuring a swimming pool and the incorporation of a casino, thereby creating the UK's first 'racino'. The proposed expansion will help secure the long term future of the Racecourse and will further enhance its status as a leading racing, conferencing and leisure destination for the West Midlands region. An extensive refurbishment of the Racecourse's 370 seat grandstand viewing restaurant, *Horizons*, was successfully undertaken in the year, helping to improve the customer experience.

In January 2007, the City was recommended as a location for a 'small' casino licence by the Casino Advisory Panel, with Wolverhampton Racecourse playing a prominent role in the City's application. The Panel's recommendations require the endorsement of Parliament and, in February 2008, the Government laid an order before Parliament that confirmed the City of Wolverhampton as the intended recipient of one of the new 'small' casino licences. Wolverhampton Racecourse hope to be chosen as the best site in the City for the casino and will partner with an experienced casino operator should a licence be confirmed.

The cost of the development is estimated at £25.0m and will generate up to 280 additional jobs once fully operational. This project is unlikely to commence before the start of 2009.

Wolverhampton Racecourse Limited

Report of the directors for the year ended 31 December 2007 (*Continued*)

Racing industry developments

In December 2006, the Government announced the extension of the Horserace Betting Levy until such time as a secure and adequate alternative commercial funding arrangement could be identified. The Levy is a major source of funding for the UK racing industry with Wolverhampton Racecourse receiving £5.7m in 2007 (2006 £5.9m), the majority of which funds prize money payments. In October 2007 no agreement had been reached between the bookmakers and the Horserace Betting Levy Board ('HBLB') on the betting Levy for the year 2008-2009 and as a result, the Levy was referred to the Government for determination. In February 2008, the Department of Culture Media and Sport announced a continuation of the Levy at the same level as for 2007-2008, i.e. a 10% charge on gross profits. The announcement highlighted the need for the racing and betting industries to move away from an adversarial approach and to engage in a modernisation of the Levy process. Modernisation is a central element in improving the dialogue between the racing and betting industries and the HBLB. In subsequent speeches the Sports Minister has reiterated that the Levy will remain in place until such time as both parties can agree on an appropriate alternative.

The British Horseracing Authority ('BHA') came into existence in July 2007, combining racing's regulatory and governance functions. Ian Renton, a Director of Wolverhampton Racecourse Limited and its parent company Arena Leisure Plc, is a member of the BHA board - nominated by the UK's 59 racecourses.

A bidding process for the acquisition of fixtures on a leasehold basis was introduced in 2005. In the bidding for 2008 fixtures conducted in June 2007, Wolverhampton Racecourse acquired 42 fixtures on a mixture of one, two and three year leases (2006: 31, also mixed length leases). Wolverhampton Racecourse is well positioned to acquire further fixtures should they become available during the course of 2008.

On 1 January 2007 a new Bookmakers' Afternoon Greyhound Service ('BAGS') contract came into effect, replacing the previous five year contract with BAGS that commenced in 2004. This new contract will attract increased income to the site with no additional associated costs.

Wolverhampton Racecourse's long-term aim is to deliver consistent profit growth through the provision of competitive racing, superior quality service to its customers and the greater utilisation of its assets on both racedays and non-racedays.

Risks and uncertainties

The Company regularly reviews ongoing and potential risks which may impact upon the Company's core aim of delivering value to its shareholders, and ensures that appropriate systems, procedures and controls are in place to mitigate them.

Weakness in consumer spending, coupled with poor weather conditions during the summer, could result in lower attendance-related incomes and profit. The Company continues to improve its customer offering with varying racegoer packages for both public and corporate customers in order to secure business in a potentially weak market. The Company continues to promote advance bookings with a view to securing attendance regardless of the weather.

The health and safety of horses, racing professionals, public and staff is a key risk consideration for the Company. The Company ensures that appropriate risk assessments and policies are applied throughout the operation and that suitably qualified health and safety managers are employed to communicate and oversee the implementation of those policies.

Wolverhampton Racecourse Limited

Report of the Directors for the year ended 31 December 2007 (*Continued*)

The Company recognises certain key risks inherent in the proposed major developments that will take place at the Racecourse. In order to mitigate these risks the Company has or will

- Undertaken feasibility studies using highly qualified and experienced consultants,
- Chosen to work with a recognised hotel brand with significant experience and market presence,
- Employ a suitably experienced and qualified project manager who is dedicated to delivering the project from planning through to completion, and
- Enter into fixed price contracts with suitable experienced and established building contractors

Funding

Wolverhampton Racecourse Limited is a borrower under the Arena Leisure Plc Group overdraft facility. The Group facility limit was £5m as at 31 December 2007. Interest is charged on the bank overdraft at 1% over Bank of Scotland base rate.

The Company is a permitted borrower under a Group banking facility provided to Arena Leisure Plc and specified subsidiary companies. As such, the Company is jointly and severally liable for the bank loans and overdrafts provided under this Group bank facility arrangement.

Directors

The Directors of the Company during the year were

R I Renton
W A Parker
R Mercer
M J Elliott
D A Roberts

None of the Directors had any interest in the shares of the Company during the year.

M J Elliot and R I Renton are Directors of the Company's ultimate parent company, Arena Leisure Plc. Their interests in the ordinary shares and share options are disclosed in its financial statements.

Wolverhampton Racecourse Limited

Report of the Directors for the year ended 31 December 2007 (Continued)

Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). The financial statements are required by law to 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 year.

In preparing these 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,
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

BDO Stoy Hayward resigned as auditors on 11 July 2007 and the Directors appointed KPMG Audit Plc to fill the vacancy arising. A resolution for the re-appointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



M J Elliot
Director

Date 01-08-2008

Wolverhampton Racecourse Limited

Report of the independent auditors

To the shareholders of Wolverhampton Racecourse Limited

We have audited the financial statements of Wolverhampton Racecourse Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Directors' responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Wolverhampton Racecourse Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2007 and of its result for the year then ended,
- The financial statements have been properly prepared in accordance with the Companies Act 1985, and
- The information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
and Registered Auditor
8 Salisbury Square
London EC4Y 8BB

Date *1 August 2008*

Wolverhampton Racecourse Limited**Profit and Loss Account for the year ended 31 December 2007**

	Note	2007 £	2006 £
Turnover	1	12,559,283	11,998,081
Cost of sales		(8,718,029)	(7,800,445)
Gross profit		3,841,254	4,197,636
Administrative expenses		(2,116,254)	(2,196,586)
Operating profit	4	1,725,000	2,001,050
Interest payable and similar charges	5	(419,676)	(402,778)
Interest receivable and similar income		53,378	1,901
Profit on ordinary activities before and after taxation and profit for the financial year	6, 14	1,358,702	1,600,173

All amounts relate to continuing activities

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

The notes on pages 9 to 16 form part of these financial statements

Wolverhampton Racecourse Limited

Balance Sheet at 31 December 2007

	Note	2007 £	2007 £	Restated 2006 £	Restated 2006 £
Fixed assets					
Tangible assets	8		14,623,653		14,072,062
Current assets					
Stocks	9	7,135		9,227	
Debtors	10	4,633,231		3,406,625	
Cash at bank and in hand		248,181		500,807	
			4,888,547		3,916,659
Creditors: amounts falling due within one year	11	(15,668,495)		(15,262,988)	
Net current liabilities			(10,779,948)		(11,346,329)
Total assets less current liabilities			3,843,705		2,725,733
Creditors: amounts falling due after more than one year	12		(2,436,890)		(2,677,620)
Net assets			1,406,815		48,113
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		1,406,715		48,013
Shareholders' funds			1,406,815		48,113

The financial statements were approved by the Board of Directors on 6/07/2008 and were signed on its behalf by



M J Elliot
Director

The notes on pages 9 to 16 form part of these financial statements

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2007

1 Accounting policies

The following accounting policies have been consistently applied in dealing with items which are considered material in relation to the Company's financial statements, except as noted below

(a) *Basis of accounting*

The financial statements are presented under the historical cost convention

The Directors have drawn up the financial statements on a going concern basis, notwithstanding the net current liabilities position of the Company. The Directors consider this to be appropriate as they have received assurance by the ultimate parent company, Arena Leisure Plc, that it will continue to make sufficient funds available to enable the Company to meet its obligations as they fall due for at least 12 months from the date of approval of these financial statements

(b) *Cash flow statement*

Under Financial Reporting Standard 1 (revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent undertaking includes the Company in its own published consolidated financial statements

(c) *Turnover*

Turnover principally relates to income derived directly from the holding of horse race meetings, including industry related funding from the HBLB and the non-raceday use of the Racecourse facilities. Income is also derived from the operation of a hotel on site

Income is recognised once a race meeting has been held. In certain circumstances income is taken over the life of the agreement to which it relates, such as rental income and annual memberships

(d) *Media rights*

On the 29 March 2004, *attheraces* terminated its media rights agreement with the Racecourse Association and the 49 racecourses which were party to the contract, including the six racecourses then owned by Arena Leisure Plc. Following termination of this agreement the Group negotiated a new media rights contract with At The Races. This enabled the Group to resolve its rebate liability under the original contract and to receive future rights payments based on a percentage share of the relevant revenues generated by the broadcasts from the Group's racecourses. This income will be credited to the profit and loss account in the period in which it is earned

At the 29 March 2004, the Company held within creditors the sum of £675,000 in respect of deferred media rights income received under the original contract. This will be released to the profit and loss account on a straight line basis over the initial five year period of the new contract

(c) *HBLB Revenue*

The HBLB provides revenue grants to racecourses to support the holding of race meetings. For taxation purposes, this revenue can be waived by racecourses, with HBLB approval, and transferred to 'capital credits'. Such deemed capital credit grants may be claimed by racecourses against expenditure on HBLB-approved capital projects and as a result, are not assessable to tax. It is the Group's policy that, as they are derived from and are dependent upon trading activities, such grants are recognised within revenue when the race meetings to which they relate are held. A corresponding receivable is recognised until the cash is received

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2007 (*Continued*)

1 Accounting policies (*Continued*)

(f) Depreciation

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

Land and buildings	- 2% per annum
Plant and machinery	- 5% to 25% per annum
Motor vehicles	- 25% per annum
All-weather track	- 2.5% per annum for base and 5% for surface
Flood lights	- 5% per annum

(g) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase in a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

(h) Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation.

In accordance with Financial Reporting Standard 19, deferred tax is recognised, without discounting, in respect of all timing differences between the movement of certain items for taxation and accounting purposes which have arisen but not reversed at the balance sheet date.

(i) Dividends

Equity dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when paid by the Company. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

2 Staff numbers and costs

The average number of persons employed by the Company (including Directors and part-time staff but excluding raceday casual staff) during the year, analysed by category, was as follows

	2007 Number	2006 Number
Management and administration	18	17
Customer service	46	46
	64	63

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2007 (Continued)

2 Staff numbers and costs (Continued)

	2007 £	2006 £
Staff costs consist of		
Wages and salaries	1,069,922	979,798
Social security costs	92,189	85,264
Pension costs	5,942	5,800
	<u>1,168,053</u>	<u>1,070,862</u>

The Company employs casual staff to assist during racedays. The number of casual staff varies between 30 and 40 depending on the raceday. Casual staff are not included in the staff numbers or costs stated above. The aggregate payroll cost in respect of casual staff in 2007 was £620,043 (2006 £569,236).

3 Directors

	2007 £	2006 £
Directors' emoluments consist of:		
Remuneration	25,008	24,276
Social security costs	2,532	2,463
	<u>27,540</u>	<u>26,739</u>

4 Operating profit

	2007 £	2006 £
Operating profit is stated after charging/(crediting)		
Group management charges – expense	710,348	931,552
Group management charges – income	(30,000)	(24,000)
Depreciation	534,033	501,515
Fees for the audit of the Company	15,000	17,990
Profit/ (loss) on disposal of fixed assets	1,582	(1,459)

There were no fees paid to the Company's auditors, KPMG Audit Plc, and its associates for services other than the statutory audit of the Company.

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2007 (Continued)

5 Interest payable and similar charges

	2007 £	2006 £
Group interest	412,268	393,809
Bank interest	7,408	8,969
	<u>419,676</u>	<u>402,778</u>

6 Taxation

The total tax charge for the year is £nil (2006 £nil). The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below.

	2007 £	2006 £
<i>Current tax reconciliation</i>		
Factors affecting tax charge for the year:		
Profit on ordinary activities	1,358,702	1,600,173
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30% (2006 30%)	407,611	480,052
Effects of:		
Expenses not deductible for tax purposes	55,251	52,638
Income not assessable to tax	(960,349)	(777,518)
Short-term timing differences	43	-
Depreciation in excess of capital allowances	96,056	68,476
Tax losses unutilised in the year	401,388	176,352
	<u>-</u>	<u>-</u>
Total current tax charge for the year	-	-

Unrecognised deferred tax

	2006 £	Movement in the year £	2007 £
Accelerated capital allowances	(191,260)	(82,247)	(273,507)
Other short-term timing differences	-	(145)	(145)
Tax losses	(176,352)	(362,872)	(539,224)
	<u>(367,612)</u>	<u>(445,264)</u>	<u>(812,876)</u>
Unrecognised deferred tax assets	(367,612)	(445,264)	(812,876)

The Company has not provided for the deferred tax asset on accelerated capital allowances, other short-term timing differences and losses as it is prudent to assume that that Group will not make sufficient profits in the short term to absorb these amounts.

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2007 (Continued)

6 Taxation (Continued)

Factors that may affect future current and total tax charges

With effect from 1 April 2008, the UK Government enacted a change in the corporation tax rate from 30% to 28%

7 Dividends

	2007 £	2006 £
No interim dividend paid (2006: £15,800 per share)	-	1,580,000

8 Tangible fixed assets

	Assets under construction £	All- weather track £	Freehold land and buildings £	Flood lights £	Plant and machinery £	Motor vehicles £	Total £
<i>Cost</i>							
At 1 January 2007	516,663	3,767,272	9,516,289	1,074,112	4,483,138	143,621	19,501,095
Additions	248,093	101,355	285,883	-	496,278	-	1,131,609
Disposals	-	-	(10,100)	-	(2,471,364)	(45,294)	(2,526,768)
At 31 December 2007	764,756	3,868,627	9,792,072	1,074,112	2,508,052	98,317	18,105,936
<i>Depreciation</i>							
At 1 January 2007	-	(869,051)	(426,584)	(755,576)	(3,321,022)	(56,800)	(5,429,033)
Provided for the year	-	(111,491)	(72,680)	(53,658)	(276,407)	(19,797)	(534,033)
Disposals	-	-	10,100	-	2,462,048	8,635	2,480,783
At 31 December 2007	-	(980,542)	(489,164)	(809,234)	(1,135,381)	(67,962)	(3,482,283)
<i>Net book value</i>							
At 31 December 2007	764,756	2,888,085	9,302,908	264,878	1,372,671	30,355	14,623,653
At 31 December 2006	516,663	2,898,221	9,089,705	318,536	1,162,116	86,821	14,072,062

Freehold land and buildings and assets under construction include £6,643,878 (2006 £7,165,000) of non-depreciable assets

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2007 (Continued)

9 Stocks

	2007	2006
	£	£
Consumables and goods for resale	7,135	9,227

10 Debtors

	2007	2006
	£	£
Trade debtors	778,857	754,786
Amounts owed by Group companies	3,326,782	2,194,412
Other debtors	302,699	143,040
Prepayments and accrued income	224,893	314,387
	4,633,231	3,406,625

All amounts shown under debtors fall due for payment within one year

11 Creditors: amounts falling due within one year

	2007	<i>Restated</i> 2006
	£	£
Trade creditors	317,898	707,156
Amounts owed to Group companies	14,619,353	13,913,333
Other taxation and social security costs	111,420	52,812
Other creditors	186,452	207,761
Accruals and deferred income	433,372	381,926
	15,668,495	15,262,988

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2007 (Continued)

12 Creditors: amounts falling due after more than one year

	2007 £	Restated 2006 £
Department of Environment grant	2,369,410	2,475,180
Media rights deferred income	67,480	202,440
	<u>2,436,890</u>	<u>2,677,620</u>

The above grant balance represents a Department of Environment Grant to be amortised over the life of the asset to which it relates

Creditors due within and after more than one year for 2006 have been restated to reflect the deferred income related to media rights which will not be released to the profit and loss account until after more than one year.

13 Share capital

	Authorised, allotted, called up and fully paid			
	2007 Number	2006 Number	2007 £	2006 £
Ordinary shares of £1 each	100	100	100	100

14 Profit and loss account

	£
At 1 January 2007	48,013
Profit for the year	1,358,702
	<u>1,406,715</u>
At 31 December 2007	

15 Pension costs

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £5,942 (2006: £5,800).

There were no pension creditors at the year end (2006: none)

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2007 (Continued)

16 Contingent liabilities

The Company is a permitted borrower under a Group banking facility provided to Arena Leisure Plc and specified subsidiary companies. As such, the Company is jointly and severally liable for the bank loans and overdrafts provided under this Group bank facility arrangement.

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

17 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.

18 Capital commitments

At 31 December 2007 the Company remained committed to purchase fixed assets totalling £78,672 (2006 £nil).

19 Ultimate parent company

The immediate parent company is Arena Leisure Racing Limited.

The ultimate parent company is Arena Leisure Plc which is incorporated in Great Britain. A copy of its financial statements can be obtained from 408 Strand, London, WC2R 0NE.