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Wolverhampton Racecourse Limited

Report and Financial Statements

Year Ended

31 December 2008

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Wolverhampton Racecourse Limited

Annual Report and financial statements for the year ended 31 December 2008

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Directors

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Directors

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

Secretary and registered office

R Mercer, c/o Arena Leisure Plc, 408 Strand, London, WC2R 0NE

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 2008

The Directors present their Report together with the audited financial statements for the year ended 31 December 2008.

Results and dividends

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

The Directors do not recommend the payment of a dividend (2007: £nil).

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 2008, Wolverhampton Racecourse staged 100 race meetings (2007: 121) and achieved an operating profit of £0.8m (2007: £1.7m). The decrease was largely due to the reduced number of fixtures and a reduced average attendance per fixture as a result of the current economic conditions. 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 70,000 were achieved (2007: 91,000). Prize money payments in 2008 were £2.8m (2007: £3.4m).

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.

Racecourse developments

Planning permission was received in 2007 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.

The Government awarded Wolverhampton City Council one of the 'small' casino licences in May 2008. We remain hopeful that our site will, in due course, be chosen for the subsequent award of this licence and we will shortly begin the preparation of our tender proposal in partnership with an experienced operator. The tender and award process seem unlikely to be concluded before the end of 2009. Once completed, this imaginative development will create and safeguard further local jobs as well as enhance the Racecourse. The total estimated scheme cost is around £25.0m as we have previously indicated, with construction now unlikely to start until mid-2010, given the likely timescale of the casino licensing process. The scheme will generate up to 280 additional jobs once fully operational.

Wolverhampton Racecourse Limited

Report of the directors for the year ended 31 December 2008 (Continued)

Racing industry developments

The Horserace Betting Levy is a major source of funding for the UK racing industry with Wolverhampton Racecourse receiving £4.5m in 2008 (2007: £5.7m), the majority of which funds prize money payments. Overall, the Levy has been settled at £116.0m for 2007/8 (2006/7: £99.0m), significantly above the expected level, resulting in increased prize-money levels from July 2008. The additional Levy generated in 2007/8 will be distributed to racecourses over the next three years, with the aim of providing a sustainable funding level in the medium term. This helped the total prize-money paid in the year across the industry increase by 8% to £106.0m (2007: £98.4m). Agreement on the 2009/10 scheme was reached in October 2008 on essentially the same terms as the prior scheme which was a positive development, avoiding a repeat of the referral to the Secretary of State that occurred in 2007. In a sign of the increasingly positive relations between 'racing' and the UK bookmakers, discussions on the Levy scheme for 2010/11 have begun early, with the bookmakers suggesting a three year arrangement that maintains the Levy at current levels of 10% on UK horseracing gross profits.

In other 'racing industry' developments, the UK Government decided in October that the sale of the Tote was not appropriate in light of prevailing market conditions and that it would be retained in public ownership for the "medium-term", which is viewed as being at least three years. Racing Enterprises Limited ('REL'), the new commercial entity for UK racing, has begun a "branding review" of UK racing, with the results due in mid-2009.

In the legal dispute between Turf TV and BAGS, the judgement delivered in 2008 largely favoured Turf TV. However, an appeal against this judgement is due to be heard in May 2009.

In December, Mark Elliott was appointed Vice Chairman of the Racecourse Association. Ian Renton continued as the member-nominated representative of the UK's racecourses on the board of the British Horseracing Authority.

A bidding process for the acquisition of fixtures on a leasehold basis was introduced in 2005. In the bidding for 2009 fixtures conducted in June 2008, Wolverhampton Racecourse acquired 48 fixtures on a mixture of one, two and three year leases (2007: 42; also mixed length leases). Wolverhampton Racecourse is well positioned to acquire further fixtures should they become available during the course of 2009.

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 shareholder, 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 2008 (Continued)

The Company recognises certain key risks inherent in the proposed major development 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 £5.0m as at 31 December 2008. Interest is charged on the bank overdraft at 1% over LIBOR.

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 Group has sufficient bank facilities to enable it to complete its committed development expenditure and to continue to meet day-to-day working capital requirements through the overdraft facility which is due for renewal on 18 December 2009. The earliest maturity on any of the Group's other debt facilities is October 2010. The Group will open renewal and refinancing negotiations in due course and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

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 Elliott 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 2008 (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

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

On behalf of the Board



M J Elliott
Director

Date 5 June 2009

Wolverhampton Racecourse Limited

Independent auditors' report to the shareholders of Wolverhampton Racecourse Limited

We have audited the financial statements of Wolverhampton Racecourse Limited for the year ended 31 December 2008 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

Independent auditors' report to the shareholders of Wolverhampton Racecourse Limited (*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 2008 and of its profit 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 *5 June 2009*

Wolverhampton Racecourse Limited**Profit and Loss Account for the year ended 31 December 2008**

	Note	2008 £	2007 £
Turnover	1	11,590,156	12,559,283
Cost of sales		(8,754,674)	(8,718,029)
Gross profit		2,835,482	3,841,254
Administrative expenses		(1,991,849)	(2,116,254)
Operating profit	4	843,633	1,725,000
Interest payable and similar charges	5	(517,209)	(419,676)
Interest receivable and similar income	6	160,896	53,378
Profit on ordinary activities before and after taxation and profit for the financial year	7, 14	487,320	1,358,702

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 17 form part of these financial statements.

Wolverhampton Racecourse Limited

Balance Sheet at 31 December 2008

	Note	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	8		14,478,263		14,623,653
Current assets					
Stocks	9	79,111		7,135	
Debtors	10	2,965,445		4,633,231	
Cash at bank and in hand		3,684,346		248,181	
		6,728,902		4,888,547	
Creditors: amounts falling due within one year	11	(16,996,153)		(15,668,495)	
Net current liabilities			(10,267,251)		(10,779,948)
Total assets less current liabilities			4,211,012		3,843,705
Creditors: amounts falling due after more than one year	12		(2,316,877)		(2,436,890)
Net assets			1,894,135		1,406,815
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		1,894,035		1,406,715
Shareholders' funds			1,894,135		1,406,815

The financial statements were approved by the Board of Directors on 5 June 2009 and were signed on its behalf by

all - Clift

M J Elliott
Director

The notes on pages 9 to 17 form part of these financial statements.

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2008

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.

The Company is a borrower under the Arena Leisure Plc Group overdraft facility. The Group facility limit was £5.0m as at 31 December 2008.

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 Group has sufficient bank facilities to enable it to complete its committed development expenditure and to continue to meet day-to-day working capital requirements through the overdraft facility which is due for renewal on 18 December 2009. The earliest maturity on any of the Group's other debt facilities is October 2010. The Group will open renewal and refinancing negotiations in due course and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

The Group continues to be a cash-generative operational business with good quality assets. Revenues are generated from a variety of sources including industry funding through the Horserace Betting Levy Board ('HBLB') and income from its five-year (to 31 December 2011) Bookmakers Afternoon Greyhound Service ('BAGS') media rights contract to provide live racing pictures to UK licensed betting offices, both of which have proven to be highly resilient to economic downturn. However, the current economic conditions create uncertainty, particularly over levels of private hospitality and public demand and consequent attendance levels at the Group's racecourses. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance together with mitigating actions that are within management's control, show that the Group is expected to be able to operate within the level and covenant conditions of its current debt facilities.

Despite the current uncertain economic outlook, the Directors believe that the Group is well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore the Directors consider it appropriate to draw up the Company accounts on a going concern basis.

(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.

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2008 *(Continued)*

1 Accounting policies *(Continued)*

(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

Income received from BAGS and At The Races ('ATR') in respect of media rights over the broadcasts from the Group's racecourses is recognised within revenue.

On 29 March 2004, *attheraces* terminated its media rights agreement with the Racecourse Association ('RCA') and the 49 racecourses which were party to the contract, including the six racecourses owned at that time by Arena Leisure Plc. Following termination of this agreement, the Group negotiated a new media rights contract and a new At The Races channel was launched in June 2004. The new media rights agreement 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.

At 29 March 2004, the Company held within accruals and deferred income the sum of £675,000 in respect of deferred media rights income received under the original contract. This income is being released to revenue on a straight-line basis over the initial five-year period of the new contract.

Income from the new media rights agreement with ATR and the BAGS agreement is credited to the income statement in the period in which the relevant race meetings are held.

(c) HBLB revenue

The HBLB provides revenue 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', which is a tax-efficient scheme operated by the HBLB. These capital credits may be claimed by racecourses against expenditure on HBLB-approved capital projects and as a result, are not assessable to tax. It is the Company's policy that, as they are derived from and are dependent upon trading activities, capital credit receipts are recognised within revenue when the race meetings to which they relate are held. A corresponding receivable is recognised until the cash is received.

(f) Tangible fixed assets and 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

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2008 *(Continued)*

1 Accounting policies *(Continued)*

(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.

(j) Pension costs

Contributions to the Company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately from these of the Company in an independently administered fund.

(k) Finance costs

Finance costs related to the acquisition or construction of qualifying assets are capitalised as part of the acquisition or construction cost.

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

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:

	2008 Number	2007 Number
Management and administration	25	18
Customer service	33	46
	58	64
	2008 £	2007 £
Staff costs consist of:		
Wages and salaries	847,015	1,069,922
Social security costs	76,582	92,189
Pension costs	5,421	5,942
	929,018	1,168,053

Following the transfer of the catering business from Arena Leisure Catering Ltd to the individual racecourses on 1 May 2008, Arena Leisure Catering Ltd continues to provide staff and certain other services to the racecourses. A total of £544,630 (2007: £nil) relating to an average of 6 permanent and 74 casual catering staff was recharged during the year. These costs are included within administrative expenses and cost of sales but are not included in the costs stated above.

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 2008 was £763,244 (2007: £620,043).

3 Directors

	2008 £	2007 £
Directors' emoluments consist of:		
Remuneration	19,323	25,008
Social security costs	1,778	2,532
	21,101	27,540

Directors' emoluments relate to one Director (2007: one). All other Directors are remunerated by other companies in the Arena Leisure Plc Group.

Wolverhampton Racecourse Limited**Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)****4 Operating profit**

	2008 £	2007 £
Operating profit is stated after charging/(crediting):		
Group management charges – expense	490,446	710,348
Group management charges – income	(30,000)	(30,000)
Depreciation	560,974	534,033
Fees for the audit of these financial statements	15,750	15,000
Profit on disposal of fixed assets	-	1,582
	<u> </u>	<u> </u>

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.

5 Interest payable and similar charges

	2008 £	2007 £
Group interest	515,377	412,268
Bank interest	1,832	7,408
	<u> </u>	<u> </u>
	517,209	419,676
	<u> </u>	<u> </u>

6 Interest receivable and similar income

	2008 £	2007 £
Bank interest	160,896	53,378
	<u> </u>	<u> </u>

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

7 Taxation

The total tax charge for the year is £nil (2007: £nil). The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2008 £	2007 £
<i>Current tax reconciliation</i>		
Factors affecting tax charge for the year:		
Profit on ordinary activities	487,320	1,358,702
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2007: 30%)	136,450	407,611
Effects of:		
Expenses not deductible for tax purposes	40,687	55,251
Income not assessable to tax	(742,871)	(960,349)
Short-term timing differences	175	43
Depreciation in excess of capital allowances	93,080	96,056
Tax losses unutilised in the year	472,479	401,388
Total current tax charge for the year	-	-

Unrecognised deferred tax

	2007 £	Movement in the year £	2008 £
Accelerated capital allowances	(273,507)	(13,533)	(287,040)
Other short-term timing differences	(145)	(30)	(175)
Tax losses	(539,224)	(498,570)	(1,037,794)
Unrecognised deferred tax assets	(812,876)	(512,133)	(1,325,009)

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.

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

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

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 2008	764,756	3,868,627	9,792,072	1,074,112	2,508,052	98,317	18,105,936
Additions	70,647	57,314	2,270	-	285,353	-	415,584
Disposals	-	-	-	-	(2,042)	-	(2,042)
At 31 December 2008	835,403	3,925,941	9,794,342	1,074,112	2,791,363	98,317	18,519,478
<i>Depreciation</i>							
At 1 January 2008	-	(980,542)	(489,164)	(809,234)	(1,135,381)	(67,962)	(3,482,283)
Charge for the year	-	(113,529)	(79,681)	(53,706)	(296,504)	(17,554)	(560,974)
Disposals	-	-	-	-	2,042	-	2,042
At 31 December 2008	-	(1,094,071)	(568,845)	(862,940)	(1,429,843)	(85,516)	(4,041,215)
<i>Net book value</i>							
At 31 December 2008	835,403	2,831,870	9,225,497	211,172	1,361,520	12,801	14,478,263
At 31 December 2007	764,756	2,888,085	9,302,908	264,878	1,372,671	30,355	14,623,653

Freehold land and buildings and assets under construction include £7,516,414 (2007: £6,643,878) of non-depreciable assets.

9 Stocks

	2008 £	2007 £
Consumables and goods for resale	79,111	7,135

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

10 Debtors

	2008 £	2007 £
Trade debtors	475,372	778,857
Amounts owed by Group companies	2,216,016	3,326,782
Other debtors	27,949	302,699
Prepayments and accrued income	246,108	224,893
	<u>2,965,445</u>	<u>4,633,231</u>

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

11 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	578,164	317,898
Amounts owed to Group companies	15,829,414	14,619,353
Other taxation and social security costs	71,707	111,420
Other creditors	131,379	186,452
Accruals and deferred income	385,489	433,372
	<u>16,996,153</u>	<u>15,668,495</u>

12 Creditors: amounts falling due after more than one year

	2008 £	2007 £
Department of Environment grant	2,316,877	2,369,410
Media rights deferred income	-	67,480
	<u>2,316,877</u>	<u>2,436,890</u>

The above grant balance represents a Department of Environment Grant which is being amortised over 50 years, representing the life of the asset to which it relates.

13 Share capital

	Authorised, allotted, called up and fully paid			
	2008 Number	2007 Number	2008 £	2007 £
Ordinary shares of £1 each	100	100	100	100

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

14 Profit and loss account	£
At 1 January 2008	1,406,715
Profit for the year	487,320
At 31 December 2008	1,894,035

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 to the personal pension of one employee, and amounted to £5,421 (2007: £5,942).

There were £770 pension creditors at the year end (2007: £nil).

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 (2007: \$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 2008 the Company remained committed to purchase fixed assets totalling £5,157 (2007: £78,672).

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 www.arenaleisureplc.com.