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Wolverhampton Racecourse Limited

Report and Financial Statements

Year Ended

31 December 2009

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Wolverhampton Racecourse Limited

Annual Report and financial statements for the year ended 31 December 2009

Contents

Directors

Page:

1	Report of the Directors
5	Independent auditors' report to the shareholders of Wolverhampton Racecourse Limited
7	Profit and Loss Account
8	Balance Sheet
9	Notes forming part of the financial statements

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 2009

The Directors present their Report together with the audited financial statements for the year ended 31 December 2009

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 (2008 £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 2009, Wolverhampton Racecourse staged 98 race meetings (2008 100) and achieved an operating profit of £1.3m (2008 £0.8m). Total attendances of 72,000 were achieved (2008 70,000). Prize money payments in 2009 were £3.4m (2008 £2.8m).

Wolverhampton is one of only two floodlit racecourses in the UK and the attractiveness of this product allows a versatile approach to racing times throughout the early and later parts of the year that can help fill racing content in bookmakers' shops in the late afternoon and early evening.

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 scheme has planning consent but is dependent on the grant of a small casino licence from Wolverhampton City Council, which was granted the right to award a licence in May 2008. Since then, progress by central and local government in enacting the tender process for such licences has been slow. Recent indications are that a formal process could commence in 2010 for completion in 2011 or 2012. The Directors remain keen to tender for the licence and to undertake this major development opportunity.

Wolverhampton Racecourse Limited

Report of the directors for the year ended 31 December 2009 (*Continued*)

Racing industry developments

The Horserace Betting Levy is a major source of funding for the UK racing industry with Wolverhampton Racecourse receiving £5.1m in 2009 (2008 £4.5m), the majority of which funds prize money payments. 2008 saw a bumper yield of £115m from the Levy, in 2009 the yield has been notably lower at £92m, mainly as a result of the lower profitability of bookmakers in the 2008/9 contribution period.

During the year, UK racecourses staged 1,427 fixtures (2008 1,423) and attracted a total attendance of 5.7 million, in line with the previous year (2008 5.7 million). The average attendance across these fixtures was 4,008 (2008 4,017), demonstrating that attendances at UK racecourses remain resilient through the current economic cycle. 2010 remains uncertain economically, however we expect that public attendances will continue to be stable in the absence of any unpredictable economic, climatic or other influence. The football World Cup is likely to have some impact on summer attendance levels, although the effect in 2006 was not noticeably significant. UK racing has scheduled 1,503 fixtures for 2010 (2009 1,490).

In December 2008, 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 2010 fixtures conducted in June 2009, Wolverhampton Racecourse acquired 51 fixtures on a mixture of one and three year leases (2008 48, also mixed length leases). Wolverhampton Racecourse is well positioned to acquire further fixtures should they become available during the course of 2010.

From 2012 Wolverhampton Racecourse will benefit from the 5-year media rights agreement with Satellite Information Services Ltd ('SIS') signed by Arena Leisure Plc in July 2009, which will replace Arena's current contract with BAGS at its expiry on 31 December 2011. The agreement has secured an important revenue stream and will lead to a substantial increase in profitability from media rights in 2012.

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 2009 (*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

From 4th March 2010, Arena Leisure Plc and its subsidiaries commenced operating under a new bank facility agreement with Bank of Scotland providing up to £55m of facilities in the form of a £35m term loan (maturing in October 2013) and a £20m revolving credit facility (maturing in December 2013). The new facility superseded the previous funding arrangements and has provided sufficient cash to repay all previous loans and overdrafts to the bank and will provide ample facilities for the Group's medium term needs. Interest on the facility is charged at margins above LIBOR of between 2.00% and 3.25% depending on the leverage of the Group. Arena Leisure Plc will provide funding to the Company to satisfy its short-term cash requirements, and repayments will be made using cash flows from trading.

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 2009 (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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect 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 individually 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 14 July 2010

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 2009 set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

- In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Wolverhampton Racecourse Limited

Independent auditors' report to the shareholders of Wolverhampton Racecourse Limited (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



P Korolkiewicz (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London EC4Y 8BB

Date *14 JULY 2010*

Wolverhampton Racecourse Limited**Profit and Loss Account for the year ended 31 December 2009**

	Note	2009 £	2008 £
Turnover	1	12,740,141	11,590,156
Cost of sales		(9,512,101)	(8,754,674)
Gross profit		3,228,040	2,835,482
Administrative expenses		(1,923,568)	(1,991,849)
Operating profit	4	1,304,472	843,633
Interest payable and similar charges	5	(181,798)	(517,209)
Interest receivable and similar income	6	87,387	160,896
Profit on ordinary activities before and after taxation and profit for the financial year	7, 14	1,210,061	487,320

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 18 form part of these financial statements

Wolverhampton Racecourse Limited

Balance Sheet at 31 December 2009

	Note	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	8		14,059,843		14,478,263
Current assets					
Stocks	9	79,563		79,111	
Debtors	10	4,139,495		2,965,445	
Cash at bank and in hand		5,345,034		3,684,346	
		9,564,092		6,728,902	
Creditors: amounts falling due within one year	11	(18,255,632)		(16,996,153)	
Net current liabilities			(8,691,540)		(10,267,251)
Total assets less current liabilities			5,368,303		4,211,012
Creditors: amounts falling due after more than one year	12		(2,264,107)		(2,316,877)
Net assets			3,104,196		1,894,135
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		3,104,096		1,894,035
Shareholders' funds			3,104,196		1,894,135

The financial statements were approved by the Board of Directors on 14 July 2010 and were signed on its behalf by



M J Elliott
Director

The notes on pages 9 to 18 form part of these financial statements
Company number: 2159607

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

From 4th March 2010, Arena Leisure Plc and its subsidiaries commenced operating under a new bank facility agreement with Bank of Scotland providing up to £55m of facilities in the form of a £35m term loan (maturing in October 2013) and a £20m revolving credit facility (maturing in December 2013). The new facility superseded the previous funding arrangements and has provided sufficient cash to repay all previous loans and overdrafts to the bank and will provide ample facilities for the Group's medium term needs. Interest on the facility is charged at margins above LIBOR of between 2.00% and 3.25% depending on the leverage of the Group. Arena Leisure Plc will provide funding to the Company to satisfy its short-term cash requirements, and repayments will be made using cash flows from trading.

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 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 2009 (*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 has been 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.

(e) *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 2009 (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 those 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 2009 (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

	2009 Number	2008 Number
Management and administration	17	25
Customer service	32	33
	<u>49</u>	<u>58</u>
	2009 £	2008 £
Staff costs consist of		
Wages and salaries	949,212	847,015
Social security costs	88,924	76,582
Pension costs	7,771	5,421
	<u>1,045,907</u>	<u>929,018</u>

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 £549,700 (2008 £544,630) relating to an average of 4 permanent and 55 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 2009 was £713,206 (2008 £763,244).

3 Directors

	2009 £	2008 £
Directors' emoluments consist of		
Remuneration	-	19,323
Social security costs	-	1,778
	<u>-</u>	<u>21,101</u>

There were no Director emoluments paid in 2009, all Directors are remunerated by other companies in the Arena Leisure Plc Group (2008 one Director received emoluments).

Wolverhampton Racecourse Limited**Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)****4 Operating profit**

	2009 £	2008 £
Operating profit is stated after charging/(crediting)		
Group management charges – expense	418,992	490,446
Group management charges – income	(30,000)	(30,000)
Depreciation	549,260	560,974
Fees for the audit of these financial statements	19,656	15,750
Loss on disposal of fixed assets	575	-
	<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

	2009 £	2008 £
Group interest	181,798	515,377
Bank interest	-	1,832
	<u> </u>	<u> </u>
	181,798	517,209
	<u> </u>	<u> </u>

6 Interest receivable and similar income

	2009 £	2008 £
Bank interest	87,387	160,896
	<u> </u>	<u> </u>

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

7 Taxation

The total tax charge for the year is £nil (2008 £nil) The tax assessed for the year is lower than the standard rate of corporation tax in the UK The differences are explained below

	2009 £	2008 £	
<i>Current tax reconciliation</i>			
Factors affecting tax charge for the year			
Profit on ordinary activities	1,210,061	487,320	
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 28%)	338,817	136,450	
Effects of			
Expenses not deductible for tax purposes	50,967	40,687	
Income not assessable to tax	(304,125)	(742,871)	
Short-term timing differences	(38)	175	
Depreciation in excess of capital allowances	95,894	93,080	
Tax losses unutilised in the year	-	472,479	
Tax losses utilised in the year	(181,515)	-	
Total current tax charge for the year	-	-	
<i>Unrecognised deferred tax</i>			
	2008 £	Movement in the year £	2009 £
Accelerated capital allowances	(287,040)	(96,529)	(383,569)
Other short-term timing differences	(175)	138	(37)
Tax losses	(1,037,794)	181,515	(856,279)
Unrecognised deferred tax assets	(1,325,009)	85,124	(1,239,885)

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 2009 (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 2009	835,403	3,925,941	9,794,342	1,074,112	2,791,363	98,317	18,519,478
Additions	15,800	-	5,156	-	114,732	-	135,688
Inter-Group transfers out	-	-	-	-	(4,150)	-	(4,150)
Disposals	-	-	-	-	(20,231)	-	(20,231)
At 31 December 2009	851,203	3,925,941	9,799,498	1,074,112	2,881,714	98,317	18,630,785
<i>Depreciation</i>							
At 1 January 2009	-	(1,094,071)	(568,845)	(862,940)	(1,429,843)	(85,516)	(4,041,215)
Charge for the year	-	(115,354)	(81,452)	(53,766)	(285,887)	(12,801)	(549,260)
Disposals	-	-	-	-	18,530	-	18,530
On Inter-Group transfers	-	-	-	-	1,003	-	1,003
At 31 December 2009	-	(1,209,425)	(650,297)	(916,706)	(1,696,197)	(98,317)	(4,570,942)
<i>Net book value</i>							
At 31 December 2009	851,203	2,716,516	9,149,201	157,406	1,185,517	-	14,059,843
At 31 December 2008	835,403	2,831,870	9,225,497	211,172	1,361,520	12,801	14,478,263

9 Stocks

	2009 £	2008 £
Consumables and goods for resale	79,563	79,111

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

10 Debtors

	2009 £	2008 £
Trade debtors	538,471	475,372
Amounts owed by Group companies	3,281,251	2,216,016
Other debtors	21,610	27,949
Prepayments and accrued income	298,163	246,108
	<u>4,139,495</u>	<u>2,965,445</u>

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

11 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	677,148	578,164
Amounts owed to Group companies	17,116,406	15,829,414
Other taxation and social security costs	78,887	71,707
Other creditors	31,357	131,379
Accruals and deferred income	351,834	385,489
	<u>18,255,632</u>	<u>16,996,153</u>

12 Creditors: amounts falling due after more than one year

	2009 £	2008 £
Department of Environment grant	2,264,107	2,316,877
	<u>2,264,107</u>	<u>2,316,877</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			
	2009 Number	2008 Number	2009 £	2008 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)

14 Profit and loss account

	£
At 1 January 2009	1,894,035
Profit for the year	1,210,061
At 31 December 2009	3,104,096

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 £7,771 (2008 £5,421).

There was a pension creditor of £1,241 at the year end (2008 £770).

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 (2008 \$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 allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with wholly-owned entities that are included in the consolidated financial statements of Arena Leisure Plc.

The Doncaster Racecourse Management Company Limited ("DRMC") and Worcester Racecourse Limited ("Worcester") are 81%-owned fellow subsidiaries of Arena Leisure Plc. During the year the Company provided racing and management services to and received similar services from those fellow subsidiaries. The Company made sales of £29,184 (2008 £50,775) to DRMC and purchases of £6,693 (2008 £11,968). At 31 December 2009 the balance due from DRMC was £5,323 (31 December 2008 £1,699). The Company made sales of £253,198 (2008 £202,169) to Worcester and purchases of £29,342 (2008 £24,649). At 31 December 2009 the balance due from Worcester was £335,628 (31 December 2008 £315,360).

R I Renton is a Director of the British Horseracing Authority ("the BHA"), racing's governing and regulatory body. During the year the Company made sales of £Nil to the BHA (2008 £180) and made purchases of £459 (2008 £130,736). At 31 December 2009 the outstanding balance was £Nil (2008 £39,318 owed to the BHA).

M J Elliott is Vice Chairman of the Racecourse Association ("the RCA"), the trade association of the UK's racecourses. During the year the Company made purchases of £27,450 (2008 £31,400) from the RCA. The balance owed to the RCA at 31 December 2009 was £5,770 (2008 £5,384).

Wolverhampton Racecourse Limited

Notes forming part of the financial statements for the year ended 31 December 2009 (*Continued*)

18 Capital commitments

At 31 December 2009 the Company was committed to purchase fixed assets totalling £6,821 (2008 £5,157)

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 England and Wales. A copy of its financial statements can be obtained from www.arenaleisureplc.com