

Company Registration No 02159607 (England and Wales)

WOLVERHAMPTON RACECOURSE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

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WOLVERHAMPTON RACECOURSE LIMITED

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WOLVERHAMPTON RACECOURSE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities and review of the business

The principal activity of the company continued to be that of operating Wolverhampton Racecourse in the West Midlands, a leisure complex encompassing a floodlit all-weather racecourse, conference and exhibition centre and hotel

Results and dividends

The results for the year are set out on page 5

Directors

The following directors have held office since 1 January 2012

M J Elliot	(Resigned 30 March 2012)
R Mercer	(Resigned 31 May 2012)
R I Renton	(Resigned 13 August 2012)
A B Kelly	(Appointed 30 May 2012)
P O'Driscoll	(Appointed 30 March 2012)
S Nahum	(Appointed 30 March 2012)
W A Parker	
D A Roberts	

Auditors

Gerald Edelman were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

Statement of 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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 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

WOLVERHAMPTON RACECOURSE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



P O'Driscoll

Director

27/9/2013

WOLVERHAMPTON RACECOURSE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WOLVERHAMPTON RACECOURSE LIMITED

We have audited the financial statements of Wolverhampton Racecourse Limited for the year ended 31 December 2012 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom 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 auditors' 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 set out on pages 1 - 2, 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 and express an opinion on 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 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 (CONTINUED)

TO THE MEMBERS OF WOLVERHAMPTON RACECOURSE LIMITED

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

Stephen Coleman ACA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

27/9/2013

Chartered Accountants
Statutory Auditor

25 Harley Street
London
W1G 9BR

WOLVERHAMPTON RACECOURSE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £	2011 £
Turnover	2	13,976,021	10,919,998
Cost of sales		(8,756,266)	(8,032,015)
Gross profit		5,219,755	2,887,983
Administrative expenses		(3,820,919)	(2,439,015)
Operating profit	3	1,398,836	448,968
Other interest receivable and similar income	4	-	2,582
Interest payable and similar charges	5	(95,732)	(83,798)
Profit on ordinary activities before taxation		1,303,104	367,752
Tax on profit on ordinary activities	6	-	-
Profit for the year	14	1,303,104	367,752

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

WOLVERHAMPTON RACECOURSE LIMITED

BALANCE SHEET

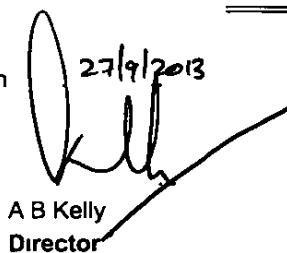
AS AT 31 DECEMBER 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	7		12,356,710		13,722,178
Current assets					
Stocks	8	73,993		75,337	
Debtors	9	4,000,955		3,319,819	
Cash at bank and in hand		1,703,973		964,516	
		5,778,921		4,359,672	
Creditors: amounts falling due within one year	10	(10,172,693)		(11,369,258)	
Net current liabilities			(4,393,772)		(7,009,586)
Total assets less current liabilities			7,962,938		6,712,592
Creditors: amounts falling due after more than one year	11		(2,105,810)		(2,158,568)
			5,857,128		4,554,024
Capital and reserves					
Called up share capital	13		100		100
Profit and loss account	14		5,857,028		4,553,924
Shareholders' funds	15		5,857,128		4,554,024

Approved by the Board and authorised for issue on



P O'Driscoll
Director

27/9/2013

A B Kelly
Director

Company Registration No. 02159607

WOLVERHAMPTON RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

On 13 January 2012, the company's parent company, Arena Leisure Plc (now Arena Leisure Limited) received an offer (the 'Offer') for its entire issued and to be issued share capital from Aldersgate Investments Limited, to be effected by means of a Scheme of Arrangement under Part 26 of the Companies' Act 2006 (the 'Scheme'). The Scheme was approved by the Court on 27 March 2012 and became effective on 30 March 2012.

The Directors consider it appropriate to draw up the financial statements on a going concern basis as they have received assurance from Aldersgate Investments Limited, an intermediate parent undertaking within the Landal Worldwide Corp group, that it will continue to make sufficient funds available to enable the Company to meet its obligations as they fall due for the foreseeable future, and at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 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 recognised once a race meeting or non-raceday event has been held. This includes admissions revenue, other racing income and catering income. In certain circumstances income is taken over the life of the agreement to which it relates, such as rental income and annual memberships.

Media rights

Income received from SIS and At The Races (ATR) in respect of media rights over the broadcasts from the Group's racecourses is recognised within revenue in the period in which the relevant race meetings are held.

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.

WOLVERHAMPTON RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

(continued)

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land, buildings and track	2% on cost for land and buildings, 5% on cost for track surface, 2.5% on cost for track base
Plant and machinery, etc	5% to 25% on cost
Fixtures, fittings & equipment	5% to 25% on cost
Motor vehicles	25% on cost

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.10 Finance costs

Finance costs are charged to profit and loss over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

WOLVERHAMPTON RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

3	Operating profit	2012	2011
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	526,802	543,207
	Loss on disposal of tangible assets	-	2,833
	Operating lease rentals		
	- Plant and machinery	38,934	37,017
	Group management charges	699,043	885,677
	Auditors' remuneration	17,911	17,144
	and after crediting		
	Rents receivable	(74,866)	(86,437)
	Group management charges	(30,000)	(30,000)
	Profit on disposal of tangible assets	(162)	-
		<u> </u>	<u> </u>
4	Investment income	2012	2011
		£	£
	Bank interest	-	2,582
		<u> </u>	<u> </u>
		-	2,582
		<u> </u>	<u> </u>
5	Interest payable	2012	2011
		£	£
	On amounts payable to group companies	95,732	83,309
	On bank loans and overdrafts	-	489
		<u> </u>	<u> </u>
		95,732	83,798
		<u> </u>	<u> </u>

WOLVERHAMPTON RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

6	Taxation	2012	2011
	Total current tax	-	-
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	1,303,104	367,752
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24 00% (2011 - 26 50%)	312,745	97,454
	Effects of		
	Non deductible expenses	359,280	37,190
	Income not assessable to tax	(340,354)	(227,310)
	Depreciation in excess/(deficit) of capital allowances	27,041	(55,944)
	Tax losses (utilised)/unutilised in the year	(358,712)	148,610
		(312,745)	(97,454)
	Current tax charge for the year	-	-

WOLVERHAMPTON RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

7 Tangible fixed assets

	Freehold land, buildings and track £	Plant and machinery, etc £	Assets under construction £	Motor vehicles £	Total £
Cost					
At 1 January 2012	13,843,962	4,351,784	950,312	102,470	19,248,528
Additions	85,670	37,706	36,255	-	159,631
Disposals	(10,812)	(5,840)	(986,567)	-	(1,003,219)
At 31 December 2012	13,918,820	4,383,650	-	102,470	18,404,940
Depreciation					
At 1 January 2012	2,265,469	3,188,016	-	72,865	5,526,350
On disposals	-	(4,921)	-	-	(4,921)
Charge for the year	218,215	301,772	-	6,814	526,801
At 31 December 2012	2,483,684	3,484,867	-	79,679	6,048,230
Net book value					
At 31 December 2012	11,435,136	898,783	-	22,791	12,356,710
At 31 December 2011	11,578,493	1,163,768	950,312	29,605	13,722,178

Following impairment review during the year, it was determined that the projects to which the assets under construction relate were no longer expected to be profitable. Consequently the net book value of the assets under construction were written off to the profit and loss account during the year.

8 Stocks

	2012 £	2011 £
Finished goods and goods for resale	73,993	75,337

WOLVERHAMPTON RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

9 Debtors	2012	2011
	£	£
Trade debtors	1,968,090	603,207
Amounts owed by parent and fellow subsidiary undertakings	843,080	2,198,585
Other debtors	726,177	224
Prepayments and accrued income	463,608	517,803
	<u>4,000,955</u>	<u>3,319,819</u>
10 Creditors: amounts falling due within one year	2012	2011
	£	£
Trade creditors	763,214	566,866
Amounts owed to parent and fellow subsidiary undertakings	8,318,375	10,238,950
Taxes and social security costs	230,291	146,418
Other creditors	279,843	102,768
Accruals and deferred income	580,970	314,256
	<u>10,172,693</u>	<u>11,369,258</u>
11 Creditors: amounts falling due after more than one year	2012	2011
	£	£
Deferred government grants	<u>2,105,810</u>	<u>2,158,568</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

WOLVERHAMPTON RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

12 Pension and other post-retirement benefit commitments

Defined contribution

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.

There was a pension creditor of £849 at the year end (2011: £821).

	2012 £	2011 £
Contributions payable by the company for the year	8,341	8,085

13 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
100 Ordinary of £1 each	100	100

14 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2012	4,553,924
Profit for the year	1,303,104
Balance at 31 December 2012	5,857,028

15 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	1,303,104	367,752
Opening shareholders' funds	4,554,024	4,186,272
Closing shareholders' funds	5,857,128	4,554,024

WOLVERHAMPTON RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

16 Contingent liabilities

The company has guaranteed an amount of \$50,000 (2011 \$50,000) to the benefit of Holiday Inns Incorporated, which is renewed annually as part of the hotel franchise requirements

17 Financial commitments

At 31 December 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2013

	Other 2012 £	2011 £
Operating leases which expire Between two and five years	42,918	34,019

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Management and administration	18	18
Customer service	34	34
	52	52

Employment costs

	2012 £	2011 £
Wages and salaries	1,082,392	1,095,045
Social security costs	98,052	102,778
Other pension costs	8,341	8,085
	1,188,785	1,205,908

The company employs casual staff to assist during racedays. The number of casual staff varies between 30 and 40 (2011 30 and 210) 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 the year ended 31 December 2012 was £709,438 (2011 £904,225)

WOLVERHAMPTON RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2012

19 Control

The immediate parent company is Arena Leisure Racing Limited

Until 30 March 2012, the ultimate parent company was Arena Leisure Plc (now Arena Leisure Limited), a company incorporated in England and Wales

From 30 March 2012 the ultimate parent company is Landal Worldwide Corp, a company registered in the British Virgin Islands. The company's ultimate UK parent is Arena Racing Corporation Limited

20 Related party relationships and transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose intercompany transactions with wholly-owned entities that are included in the consolidated financial statements of Arena Racing Corporation Limited

The Doncaster Racecourse Management Company Limited ('DRMC') and Worcester Racecourse Limited ('Worcester') are 81%-owned subsidiaries of Arena Racing Corporation Limited. During the year, the company provided racing services to and received similar services from those fellow subsidiaries. The company made sales of £655,277 (2011 £44,814) to DRMC and purchases of £1,838 (2011 £7,562). At 31 December 2012 the balance due from DRMC was £660,500 (2011 £7,061). The company made sales of £287,823 (2011 £324,111) to Worcester and purchases of £54,206 (2011 £49,957). At 31 December 2012 the balance due from Worcester was £338,744 (2011 £339,895).

Arena Leisure Limited, an intermediate parent undertaking within the Landal Worldwide Corp group, owns an equity share in Attheraces Holdings Limited ('ATR'), a joint venture company. During the year ended 31 December 2012, M J Elliot, R I Renton, S Nahum and A Kelly were Directors of ATR. During the year the company made sales of £1,133,365 (2011 £958,802) to ATR. The balance due from ATR at 31 December 2012 was £42,000 (2011 £39,600).