

Company Registration No. 02159607 (England and Wales)

WOLVERHAMPTON RACECOURSE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

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WOLVERHAMPTON RACECOURSE LIMITED

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WOLVERHAMPTON RACECOURSE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended 31 December 2013.

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.

The Strategic Report is prepared by the parent company which covers the review of all subsidiaries, therefore no Strategic Report is attached.

Results and dividends

The results for the year are set out on page 5.

Directors

The following directors have held office since 1 January 2013:

A B Kelly

P O'Driscoll

K S Robertson

(Appointed 30 June 2014)

S Nahum

W A Parker

D A Roberts

Auditors

The auditors, Gerald Edelman, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 2013

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

29/9/2014

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 2013 set out on pages 5 to 14. 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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

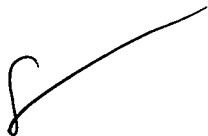
INDEPENDENT AUDITORS' REPORT (CONTINUED)

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

29/9/2014

Chartered Accountants
Statutory Auditor

25 Harley Street
London
W1G 9BR

WOLVERHAMPTON RACECOURSE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Turnover	2	15,690,366	13,976,021
Cost of sales		(9,340,491)	(8,756,266)
Gross profit		6,349,875	5,219,755
Administrative expenses		(2,563,291)	(3,820,919)
Operating profit	3	3,786,584	1,398,836
Other interest receivable and similar income	4	6,643	-
Interest payable and similar charges	5	(166,321)	(95,732)
Profit on ordinary activities before taxation		3,626,906	1,303,104
Tax on profit on ordinary activities	6	-	-
Profit for the year	14	3,626,906	1,303,104

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 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	7	12,378,828		12,356,710	
Current assets					
Stocks	8	66,757		73,993	
Debtors	9	5,794,242		4,000,955	
Cash at bank and in hand		1,098,747		1,703,973	
		<u>6,959,746</u>		<u>5,778,921</u>	
Creditors: amounts falling due within one year	10	<u>(7,801,494)</u>		<u>(10,172,693)</u>	
Net current liabilities			<u>(841,748)</u>		<u>(4,393,772)</u>
Total assets less current liabilities		11,537,080		7,962,938	
Creditors: amounts falling due after more than one year	11	<u>(2,053,046)</u>		<u>(2,105,810)</u>	
		<u>9,484,034</u>		<u>5,857,128</u>	
Capital and reserves					
Called up share capital	13	100		100	
Profit and loss account	14	9,483,934		5,857,028	
Shareholders' funds	15	<u>9,484,034</u>		<u>5,857,128</u>	

Approved by the Board and authorised for issue on 29/9/2014



P O'Driscoll
Director

Company Registration No. 02159607

WOLVERHAMPTON RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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 2013

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

The closing stock is stated in accordance with the Statement of Standard Accounting Practice Number 9 at lower of cost and net realisable value. The cost includes all expenditure which has been incurred in bringing the stock to its present location and condition. Stock is valued using the first in first out method.

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 2013

3	Operating profit	2013	2012
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	514,289	526,802
	Loss on disposal of tangible assets	30	-
	Operating lease rentals		
	- Plant and machinery	40,494	38,934
	Group management charges	382,193	699,043
	Fees payable to the company's auditor for the audit of the company's annual accounts	16,128	17,911
	and after crediting:		
	Rents receivable	(69,785)	(74,866)
	Group management charges	(30,000)	(30,000)
	Profit on disposal of tangible assets	-	(162)
		<u> </u>	<u> </u>
 4	 Interest receivable	 2013	 2012
		£	£
	Group interest	6,643	-
		<u> </u>	<u> </u>
 5	 Interest payable	 2013	 2012
		£	£
	On amounts payable to group companies	165,394	95,732
	On bank loans and overdrafts	927	-
		<u> </u>	<u> </u>
		166,321	95,732
		<u> </u>	<u> </u>

WOLVERHAMPTON RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

6	Taxation	2013	2012
	Total current tax	-	-
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	3,626,906	1,303,104
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.00% (2012 - 24.00%)	834,188	312,745
	Effects of:		
	Non deductible expenses	118,286	359,280
	Income not assessable to tax	-	(340,354)
	Depreciation in excess/(deficit) of capital allowances	(123,374)	27,041
	Tax losses utilised in the year	(829,100)	(358,712)
		(834,188)	(312,745)
	Current tax charge for the year	-	-

7	Tangible fixed assets	Freehold land, buildings and track	Plant and machinery, etc.	Assets under construction	Motor vehicles	Total
		£	£	£	£	£
	Cost					
	At 1 January 2013	13,918,820	4,383,650	-	102,470	18,404,940
	Additions	278,311	251,532	6,564	-	536,407
	At 31 December 2013	14,197,131	4,635,182	6,564	102,470	18,941,347
	Depreciation					
	At 1 January 2013	2,483,684	3,484,867	-	79,679	6,048,230
	Charge for the year	244,672	262,804	-	6,813	514,289
	At 31 December 2013	2,728,356	3,747,671	-	86,492	6,562,519
	Net book value					
	At 31 December 2013	11,468,775	887,511	6,564	15,978	12,378,828
	At 31 December 2012	11,435,136	898,783	-	22,791	12,356,710

WOLVERHAMPTON RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

8	Stocks	2013	2012
		£	£
	Finished goods and goods for resale	<u>66,757</u>	<u>73,993</u>

9	Debtors	2013	2012
		£	£
	Trade debtors	2,844,070	1,968,090
	Amounts owed by parent and fellow subsidiary undertakings	1,004,067	843,080
	Other debtors	1,322,559	726,177
	Prepayments and accrued income	<u>623,546</u>	<u>463,608</u>
		<u>5,794,242</u>	<u>4,000,955</u>

10	Creditors: amounts falling due within one year	2013	2012
		£	£
	Trade creditors	1,387,667	763,214
	Amounts owed to parent and fellow subsidiary undertakings	5,577,551	8,318,375
	Taxes and social security costs	198,886	230,291
	Other creditors	153,111	279,843
	Accruals and deferred income	<u>484,279</u>	<u>580,970</u>
		<u>7,801,494</u>	<u>10,172,693</u>

11	Creditors: amounts falling due after more than one year	2013	2012
		£	£
	Deferred government grants	<u>2,053,046</u>	<u>2,105,810</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 2013

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 £1,127 at the year end (2012: £849).

	2013 £	2012 £
Contributions payable by the company for the year	12,221	8,341

13 Share capital

	2013 £	2012 £
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 2013	5,857,028
Profit for the year	3,626,906
Balance at 31 December 2013	9,483,934

15 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	3,626,906	1,303,104
Opening shareholders' funds	5,857,128	4,554,024
Closing shareholders' funds	9,484,034	5,857,128

WOLVERHAMPTON RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

16 Contingent liabilities

The company has guaranteed an amount of \$50,000 (2012: \$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 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2014:

	Other 2013 £	2012 £
Operating leases which expire:		
Within one year	12,751	-
Between two and five years	12,193	42,918
	<u>24,944</u>	<u>42,918</u>

18 Employees

Number of employees

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

	2013 Number	2012 Number
Total staff	<u>54</u>	<u>54</u>

The company employs casual staff to assist on racedays. The number of casual staff varied between 30 and 40 (2012: 30 and 40). Casual staff are not included in the numbers stated above.

Employment costs	2013 £	2012 £
Wages and salaries	2,260,392	2,405,851
Social security costs	159,712	175,319
Other pension costs	12,221	8,341
	<u>2,432,325</u>	<u>2,589,511</u>

WOLVERHAMPTON RACECOURSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2013

19 Control

The immediate parent company is Arena Leisure Racing Limited. 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. Group accounts are being prepared and copies can be obtained from Companies House.

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.

During the period, the company provided racing services to and received similar services from the following related parties:

Party	Sales	Sales	Purchases	Purchases	Balance due from/(to) related party as at 31 December	
	2013	2012	2013	2012	2013	2012
	£	£	£	£	£	£
The Doncaster Racecourse Management Company Limited (i)	25,348	655,277	4,542	1,838	1,079,543	660,500
Worcester Racecourse Limited (i)	298,014	287,823	64,276	54,206	337,702	338,744
Brighton Racecourse Company Limited (ii)	121	-	-	-	228	-
Great Yarmouth Racecourse Company Limited (ii)	109	-	-	-	131	-
Uttoxeter Leisure and Development Company Limited (iii)					185,252	
Sedgefield Steeplechase (1972) Limited (iv)					(1,302)	

(i) 81%-owned subsidiary of Arena Leisure Limited, (ii) 81%-owned subsidiary of Landal Worldwide Corp, the ultimate parent company, (iii) 92.4%-owned subsidiary of Landal Worldwide Corp, (iv) 99.9%-owned subsidiary of Landal Worldwide Corp.

Arena Leisure Limited, an intermediate parent undertaking within the Landal Worldwide Corp group, owns an equity share in At The Races Holdings Limited ('ATR'), a joint venture company. During the year ended 31 December 2013, S Nahum and A Kelly were Directors of ATR. During the year the company made sales of £920,381 (2012: £1,133,365) to ATR. The balance due from ATR at 31 December 2013 was £16,560 (2012: £42,000).