Registered number: 02159607

WOLVERHAMPTON RACECOURSE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

COMPANY INFORMATION

Directors	S A J Nahum M Spincer (resigned 21 November 2025) K J Gallagher (appointed 21 November 2025)
Company secretary	M J Hill
Registered number	02159607
Registered office	4th Floor Millbank Tower 21-24 Millbank London SW1P 4QP
Independent auditor	Adler Shine LLP Chartered Accountants & Statutory Auditor Aston House Cornwall Avenue London N3 1LF

WOLVERHAMPTON RACECOURSE LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

Introduction

The directors present the strategic report for the year ended 31 December 2025.

Business review

Wolverhampton Racecourse hosted 83 race meetings during 2025 (2024: 82). Turnover for the year ended 31 December 2025 was £18,133,503 (2024: £17,058,973). Operating profit increased from £1,462,311 in 2024 to £2,608,077 in 2025.
The company's principal revenue streams are dependent on British horseracing fixtures being staged. Challenges remained on food and fuel prices throughout the year despite CPI falling from 4% at the start of the year to 2.5% by December 2025. The continued focus on the cost of living has put pressure on UK leisure spending habits upon which the company relies.
Investment in fixed assets during the year was restricted to essential works, committed projects and the fulfilment of regulatory obligations. All other expenditure was closely monitored. The Company made use of additional funding from group companies during the year and this is reflected in the increase in amounts due to group companies at the year end.
The directors are satisfied with the results for the year and are optimistic for the future.

Principal risks and uncertainties

The company operates in the sporting and leisure sector within the UK and as such faces the same risks as other similar businesses, primarily economic conditions, the availability of disposable income and competing interests for the leisure pound.
In addition, as with any business that is conducted outdoors in the UK, a further risk is that of weather-related abandonments. It is impossible to mitigate this risk but the company does allow for a certain number of abandonments when completing its business plans.
The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The financial risk management objectives and policies for each of these risks are described in more detail below.
Interest rate risk
Hedging for interest risk is not currently deemed necessary, however, with the ever-changing economic climate the position is kept under regular review by the Board.
Liquidity risk
Liquidity risk is managed centrally. The current loan facilities have been agreed at appropriate levels given the Group's forecasted operating cash flows, loan repayments, expected future capital expenditure and trading income over the course of the foreseeable future.
Credit risk
Due to the nature of the company's income streams, the exposure to credit risk is considered minimal. Two of the main sources of income received are that from the HBLB and media income from the transmission of pictures through various media contracts. Other third-party income is derived from customers on race days and this is either paid in advance of the event or paid on the day. Of the income received by the company that is subject to credit risk, there are established credit procedures and collection policies in place which are reviewed and monitored centrally.

This report was approved by the board and signed on its behalf.

K J Gallagher
Director

Date: 15 September 2026

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2025

The directors present their report and the financial statements for the year ended 31 December 2025.

Principal activity

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 profit for the year, after taxation, amounted to £3,001,910 *(2024 - £2,498,198)*.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

S A J Nahum
M Spincer (resigned 21 November 2025)
K J Gallagher (appointed 21 November 2025)

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all the directors of Wolverhampton Racecourse Limited.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Adler Shine LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Going concern

After reviewing the company's forecasts and projections for not less than 12 months from the date of approval of these financial statements and taking into account current financial resources, the directors have a reasonable expectation that Wolverhampton Racecourse Limited has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties that give rise to significant doubt as to the company's ability to continue to prepare its financial statements on a going concern basis. Further details regarding the directors' considerations in drawing this conclusion are provided in note 2.3 to the financial statements.

This report was approved by the board and signed on its behalf.

K J Gallagher
Director

Date: 15 September 2026

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOLVERHAMPTON RACECOURSE LIMITED

Opinion

We have audited the financial statements of Wolverhampton Racecourse Limited (the 'Company') for the year ended 31 December 2025, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2025 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or noncompliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas; posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act, tax legislation, data protection, anti-bribery, employment and health and safety.

Audit response to risks identified

Fraud due to management override

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- audited the risk of management override of controls, including through testing journal entries for appropriateness;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Irregularities and non-compliance with laws and regulations

In response to the risk of irregularities and non compliance with laws and regulations, we designed procedures which included, but are not limited to:

- Agreeing financial statements disclosures to underlying supporting documentation.
- Reviewing minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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.

Christopher Taylor FCA (Senior Statutory Auditor)
for and on behalf of
Adler Shine LLP
Chartered Accountants
Statutory Auditor

Aston House
Cornwall Avenue
London
N3 1LF

17 September 2026

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £	*2024 £*
Turnover	4	**18,133,503**	*17,058,973*
Cost of sales		**(11,790,088)**	*(12,206,052)*
Gross profit		**6,343,415**	*4,852,921*
Administrative expenses		**(3,735,038)**	*(3,390,610)*
Operating profit	5	**2,608,377**	*1,462,311*
Interest receivable and similar income	8	**1,345,137**	*761,975*
Interest payable and similar expenses		**1,890**	-
Profit before tax		**3,955,404**	*2,224,286*
Tax on profit	9	**(953,494)**	*273,912*
Profit for the financial year		**3,001,910**	*2,498,198*

There were no recognised gains and losses for 2025 or 2024 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2025 (2024:£NIL).

The notes on pages 13 to 29 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2025

	Note		2025 £		*2024* *£*
Fixed assets					
Tangible assets	10		**14,276,474**		*9,690,260*
			14,276,474		*9,690,260*
Current assets					
Stocks	11	**100,995**		*82,262*	
Debtors: amounts falling due within one year	12	**26,811,625**		*27,722,163*	
Cash at bank and in hand	13	**218,920**		*224,420*	
		27,131,540		*28,028,845*	
Creditors: amounts falling due within one year	14	**(2,878,515)**		*(2,376,969)*	
Net current assets			**24,253,025**		*25,651,876*
Total assets less current liabilities			**38,529,499**		*35,342,136*
Creditors: amounts falling due after more than one year	15		**(1,658,089)**		*(1,472,636)*
Net assets			**36,871,410**		*33,869,500*
Capital and reserves					
Called up share capital	19		**100**		*100*
Profit and loss account			**36,871,310**		*33,869,400*
			36,871,410		*33,869,500*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 September 2026.

K J Gallagher
Director

The notes on pages 13 to 29 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2024	**100**	**31,371,202**	**31,371,302**
Comprehensive income for the year			
Profit for the year	**-**	**2,498,198**	**2,498,198**
At 1 January 2025	**100**	**33,869,400**	**33,869,500**
Comprehensive income for the year			
Profit for the year	**-**	**3,001,910**	**3,001,910**
At 31 December 2025	**100**	**36,871,310**	**36,871,410**

The notes on pages 13 to 29 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

Wolverhampton Racecourse Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4th Floor Millbank Tower, 21-24 Millbank, London, SW1P 4QP. The principal place of business of the company is Wolverhampton Racecourse, Dunstall Park, Wolverhampton, WV6 0PE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Arena Racing Corporation Limited as at 31 December 2025 and these financial statements may be obtained from Companies House.

2.3 Going concern

Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Arena Racing Corporation Limited's facility agreement in place with Hightower Finance (Jersey) Limited provides sufficient headroom to enable the company to continue in operational existence. Assurance has been received from Omaha Business Holdings Corp that it will continue to make 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.

Thus, the directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 December 2025.

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Revenue

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 in respect of media rights over the broadcasts from the racecourse is recognised within revenue in the period in which the relevant race meetings are held.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property and improvements	- 2%-10%
Plant and machinery	- 5%-25%
Motor vehicles	- 25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.13 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.14 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying

2. Accounting policies (continued)

2.14 Financial instruments (continued)

amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Basic financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

2. Accounting policies (continued)

2.15 Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities within the scope of IAS 39 are initially classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequently, the measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. Derivatives, including separately embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In preparing these financial statements, the directors have made the following judgement:

- Determining whether leases entered into by the company are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

- Determining whether there are indicators of impairment of the company's tangible assets. Factors taken into account in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation and uncertainty:

- Tangible fixed assets

3. Judgments in applying accounting policies (continued)

The company recognises fixed assets where such expenditure enhances the racecourse assets, whereas any expenditure classed as maintenance is expensed in the period incurred. Determining enhancement from maintenance is a subjective area. The estimated useful economic lives of fixed assets are based on management judgement and experience.

- Intercompany debtor recoverability

An assessment of intercompany debtor recoverability has been made by the Directors as at 31 December 2025. The recoverability of these debts was based on expected future trade. Due to the material nature of the intercompany balance this is considered a significant judgement area.

4. Turnover

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

5. Operating profit

The operating profit is stated after charging:

	2025	*2024*
	£	*£*
Depreciation of owned tangible fixed assets	**347,977**	*469,325*
Exchange differences	**(631)**	*(3,870)*
Other operating lease rentals	**13,034**	*23,895*

6. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2025	*2024*
	£	*£*
Fees payable to the Company's auditor for the audit of the Company's financial statements	**9,250**	*9,250*

7. Employees

	2025	2024
	£	£
Wages and salaries	**2,233,322**	*2,135,420*
Social security costs	**215,381**	*153,980*
Cost of defined benefit scheme	**48,863**	*43,184*
	2,497,566	*2,332,584*

The average monthly number of employees, including the directors, during the year was as follows:

Permanent Staff	**32**	*29*

The company employs casual staff to assist during race days. Casual staff are not included in the staff numbers stated above. Also, the costs above include recharged staff costs from fellow group companies. The staff numbers from the recharged costs are also not included in the numbers stated above.

8. Interest receivable

	2025	2024
	£	£
Interest receivable from group companies	**1,345,137**	*761,975*
	1,345,137	*761,975*

9. Taxation

	2025 £	*2024* *£*
Corporation tax		
Current tax on profits for the year	**993,274**	*600,000*
Adjustments in respect of previous periods	**(26)**	*(890,676)*
	993,248	*(290,676)*
Total current tax	**993,248**	*(290,676)*
Deferred tax		
Origination and reversal of timing differences	**(39,754)**	*16,764*
Total deferred tax	**(39,754)**	*16,764*
	953,494	*(273,912)*

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2024 - lower than)* the standard rate of corporation tax in the UK of 25% *(2024 - 25%)*. The differences are explained below:

	2025 £	*2024* *£*
Profit on ordinary activities before tax	**3,955,404**	*2,224,286*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	**988,851**	*556,072*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**(50,683)**	*106,125*
Adjustments to tax charge in respect of prior periods	**15,326**	*(901,389)*
Group relief	**-**	*(34,720)*
Total tax charge for the year	**953,494**	*(273,912)*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Tangible fixed assets

	Freehold property and improvements	Plant and machinery	Motor vehicles	Assets under construction	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2025	12,881,148	5,123,224	193,829	1,823,142	20,021,343
Additions	-	45,119	-	4,889,692	4,934,811
Disposals	(2,355)	(1,632,000)	(66,516)	-	(1,700,871)
Transfers between classes	4,426,728	2,224,501	85,465	(6,736,694)	-
At 31 December 2025	17,305,521	5,760,844	212,778	(23,860)	23,255,283
Depreciation					
At 1 January 2025	5,271,347	4,942,465	117,271	-	10,331,083
Charge for the year on owned assets	305,298	42,299	-	-	347,597
Disposals	(2,355)	(1,632,000)	(65,516)	-	(1,699,871)
At 31 December 2025	5,574,290	3,352,764	51,755	-	8,978,809
Net book value					
At 31 December 2025	11,731,231	2,408,080	161,023	(23,860)	14,276,474
At 31 December 2024	*7,609,801*	*180,759*	*76,558*	*1,823,142*	*9,690,260*

Included in freehold land and building is freehold land of £2,185,878 (2024: £2,185,878) which is not depreciated.

11. Stocks

	2025	2024
	£	£
Finished goods and goods for resale	**100,995**	*82,262*

12. Debtors

	2025	2024
	£	£
Trade debtors	**25,766**	*36,720*
Amounts owed by group undertakings	**26,148,070**	*26,137,571*
Other debtors	**408,153**	*1,338,024*
Prepayments and accrued income	**87,800**	*107,766*
Deferred taxation	**141,836**	*102,082*
	26,811,625	*27,722,163*

There are no specific terms of repayment attached to the amounts owed by group undertakings.

13. Cash and cash equivalents

	2025	2024
	£	£
Cash at bank and in hand	**218,920**	*224,420*

14. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Other loans	**26,668**	-
Government grants	**52,764**	*52,764*
Trade creditors	**491,941**	*374,860*
Amounts owed to group undertakings	**1,235,080**	*70,235*
Other taxation and social security	**46,173**	*42,881*
Obligations under finance lease and hire purchase contracts	**61,271**	*265,162*
Other creditors	**250,006**	*212,498*
Accruals and deferred income	**714,612**	*1,358,569*
	2,878,515	*2,376,969*

There are no specific terms of repayment attached to the amounts owed to group undertakings.

15. Creditors: Amounts falling due after more than one year

	2025	2024
	£	£
Other loans	**238,217**	-
Government grants received	**1,419,872**	*1,472,636*
	1,658,089	*1,472,636*

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. The initial grant received was £2,638,200.

16. Loans

Analysis of the maturity of loans is given below:

	2025	*2024*
	£	*£*
Amounts falling due within one year		
Other loans	**26,668**	-
Amounts falling due 1-2 years		
Other loans	**26,668**	-
Amounts falling due 2-5 years		
Other loans	**80,003**	-
Amounts falling due after more than 5 years		
Other loans	**131,546**	-
	264,885	-

Interest on the loan is charged at 4.25% per annum.

17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2025	*2024*
	£	*£*
Within one year	**61,271**	*134,642*
	61,271	*134,642*

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3-5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18. Deferred taxation

	2025 £
At beginning of year	**102,082**
Charged to profit or loss	**39,754**
At end of year	**141,836**

The deferred tax asset is made up as follows:

	2025 £	*2024* *£*
Accelerated capital allowances	**140,737**	*101,007*
Provisions	**1,099**	*1,075*
	141,836	*102,082*

19. Share capital

	2025 £	*2024* *£*
Allotted, called up and fully paid		
100 *(2024 - 100)* Ordinary shares of £1.00 each	**100**	*100*

20. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £56,673 (2024 - £48,073). Contributions totalling £4,395 (2024 - £4,298) were payable to the fund at the balance sheet date and are included in creditors.

21. Commitments under operating leases

At 31 December 2025 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2025	2024
	£	£
Not later than 1 year	**8,819**	*15,091*
Later than 1 year and not later than 5 years	**-**	*8,819*
	8,819	*23,910*

22. Other financial commitments

The company has guaranteed an amount of £50,000 (2024: £50,000) to the benefit of Holiday Inns Incorporated, which is renewed annually as part of the hotel franchise requirements.

The loans and overdrafts of the Arena Racing Corporation Group are secured by a legal charge over the racecourse properties in the group

23. Related party transactions

The company has taken advantage of exemption, under the terms of FRS 102 not to disclose related party transactions with wholly owned subsidiaries within the group.
During the year, the company provided racing services to and received similar services from the following related parties:

	2025	2024
	£	£
Recharges to/(from)		
Fellow subsidiaries and companies under common control	**2,463,168**	*3,599,313*
Entities over which the group has control, joint control or significant influence	**6,510,035**	*5,061,466*
Balance due from/(to) related parties		
Fellow subsidiaries and companies under common control	**(815,550)**	*650,827*

During the year the company paid management charges of £1,160,617 (2024: £386,808) to a related company.

24. Controlling party

The immediate parent company is Arena Leisure Racing Limited. The ultimate parent company is Omaha Business Holdings Corp, a company registered in the British Virgin Islands.

The company's ultimate UK parent is Arena Racing Corporation Limited. Arena Racing Corporation Limited prepares group financial statements and copies can be obtained from Companies House.

The registered address and principal place of business of Arena Racing Corporation Limited and Arena Leisure Racing Limited is Millbank Tower, 21-24 Millbank, London, SW1P 4QP.

The registered address and principal place of business of Omaha Business Holdings Corp is 2nd Floor, O'Neal Marketing Associates Building, PO Box 3174, Wickham's Cay II, Road Town, Tortola, British Virgin Islands.

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