

**REGISTRAR OF
COMPANIES**

**The Windsor Racecourse Company
Limited**

Report and Financial Statements

Period Ended

31 December 2000



BDO Stoy Hayward
Chartered Accountants



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THE WINDSOR RACECOURSE COMPANY LIMITED

Annual report and financial statements for the period ended 31 December 2000

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Directors

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Directors

I R Penrose
M E Pope

Secretary and registered office

W A Parker, Dunstall Park, Gorsebrook Road, Wolverhampton, WV6 0PE.

Company number

80159

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

THE WINDSOR RACECOURSE COMPANY LIMITED

Report of the directors for the period ended 31 December 2000

The directors present their report together with the audited financial statements for the period ended 31 December 2000.

Results and dividends

The profit and loss account is set out on page 5.

The company has not traded during the year.

The directors do not recommend the payment of a dividend (31 March 2000 - £Nil).

Principal activities, trading review and future developments

The principal activity of the company during the period has continued to be that of a holding company. The subsidiary company, Windsor Racing Limited carried on business as a racecourse operator.

Directors

The directors who served during the period, and their beneficial interests in the ordinary share capital of the company, at the beginning and end of the period, were as follows, according to the register maintained by the company:

	£1 ordinary shares	
	31 December 2000	31 March 2000
I R Penrose	-	-
M E Pope	-	-

I R Penrose and M E Pope are also directors of the company's parent company, Arena Leisure Plc. Their interests in its ordinary share capital and share options are disclosed in its financial statements.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE WINDSOR RACECOURSE COMPANY LIMITED

Report of the directors for the period ended 31 December 2000 (*Continued*)

Auditors

BDO Stoy Hayward, who were appointed during the period, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

I R Penrose



Director

26 June 2001

THE WINDSOR RACECOURSE COMPANY LIMITED

Report of the independent auditors

To the shareholders of The Windsor Racecourse Company Limited

We have audited the financial statements of The Windsor Racecourse Company Limited on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

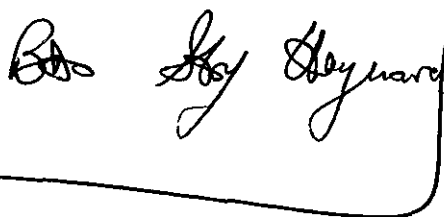
THE WINDSOR RACECOURSE COMPANY LIMITED

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
London

A handwritten signature in dark ink, appearing to read 'BDO Stoy Hayward', is written above a long, slightly curved horizontal line that extends to the right.

26 June 2001

THE WINDSOR RACECOURSE COMPANY LIMITED

Profit and loss account for the period ended 31 December 2000

	Period ended 31 December 2000 £	15 months to 31 March 2000 £
Other operating charges	(12)	(100)
	<hr/>	<hr/>
Loss on ordinary activities before and after taxation	(12)	(100)
	<hr/>	<hr/>

All amounts related to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 6 to 8 form part of these financial statements.

THE WINDSOR RACECOURSE COMPANY LIMITED

Balance sheet at 31 December 2000

	Note	31 December 2000 £	31 December 2000 £	31 March 2000 £	31 March 2000 £
Fixed assets					
Tangible assets	2		8,250,000		8,250,000
Investments	3		13,832		13,832
			<hr/>		<hr/>
			8,263,832		8,263,832
Current assets					
Debtors	4	312,851		312,851	
Cash at bank and in hand		-		12	
		<hr/>		<hr/>	
Net current assets			312,851		312,863
			<hr/>		<hr/>
Total assets less current liabilities			8,576,683		8,576,695
Provision for liabilities and charges	5		4,317		4,317
			<hr/>		<hr/>
Net assets			8,572,366		8,572,378
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	6		30,000		30,000
Profit and loss account			283,393		283,405
Revaluation reserve			8,064,408		8,064,408
Other reserves			194,565		194,565
			<hr/>		<hr/>
Shareholders' funds - equity	7		8,572,366		8,572,378
			<hr/>		<hr/>

The financial statements were approved by the Board on 26 June 2001

I R Penrose
Director



The notes on pages 6 to 8 form part of these financial statements.

THE WINDSOR RACECOURSE COMPANY LIMITED

Notes forming part of the financial statements for the period ended 31 December 2000

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Tangible fixed assets and depreciation

Land is stated at market value on the basis of its existing use. No depreciation is charged on land.

Fixed asset investments are stated at the lower of cost and market value.

Deferred taxation

Deferred tax is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

2 Tangible assets

	Freehold land £
Valuation at 31 March 2000 and 31 December 2000	8,250,000

The carrying value of the company's 165 acres of freehold land has been restated at its existing use value of £8,250,000. The historical cost of this land is £185,592. The freehold property was valued by external valuers, William Hillary Leisure & Hotels, Chartered Surveyors, as at 31 December 1996 on the basis of its existing use value as a fully equipped operational entity having regard to trading potential in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

3 Fixed asset investments

The company holds all the 760 'A' ordinary shares issued by Windsor Racing Limited represented 76% of the issued share capital. The company also has a loan outstanding to its subsidiary. The loan is unsecured and carries interest at 8% per annum.

	Shares £	Loan £	Total £
Balances at 1 April 2000 and 31 December 2000	760	13,072	13,832

THE WINDSOR RACECOURSE COMPANY LIMITED

Notes forming part of the financial statements for the period ended 31 December 2000 (*Continued*)

4 Debtors

	31 December 2000 £	31 March 2000 £
Amounts due from subsidiary company	196,253	196,253
Amounts due from affiliated company	116,598	116,598
	<u>312,851</u>	<u>312,851</u>

5 Provisions for liabilities and charges

	31 December 2000 £	31 March 2000 £
Contingent liability	4,317	4,317
	<u>4,317</u>	<u>4,317</u>

There is a contingent liability in respect of contributions from the Horserace Betting Levy Board, in that a proportion of such sums would be repayable on the cessation of racing activities. The amount so repayable by the company at 31 December 2000 was £4,317 (31 March 2000 - £4,317). This sum has been provided for in full. No security has been given in respect of the contingency.

There were no other material contracted or authorised capital commitments at the end of the financial period.

6 Share capital

	Authorised, allotted, called up and fully paid			
	31 December 2000 Number	31 December 2000 Number	31 March 2000 £	31 March 2000 £
Ordinary shares of £1 each	30,000	30,000	30,000	30,000
	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>

THE WINDSOR RACECOURSE COMPANY LIMITED

Notes forming part of the financial statements for the period ended 31 December 2000 (*Continued*)

7 Reconciliation of movement in shareholders' funds

	31 December 2000 £	31 March 2000 £
Shareholders' funds at 1 April 2000	8,572,378	8,572,478
Retained loss for the period	(12)	(100)
	<hr/>	<hr/>
Shareholders' funds at 31 December 2000	<u>8,572,366</u>	<u>8,572,378</u>

8 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with entities that are included in the consolidated financial statements of Arena Leisure PLC.

9 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as it is consolidated in the financial statements of its ultimate parent company.

10 Ultimate parent company

At 31 December 2000, the company's ultimate parent company was Arena Leisure PLC. Copies of its financial statements are available from Arena Leisure PLC, 1 Hay Hill, Berkeley Square, London, W1X 7LF.