

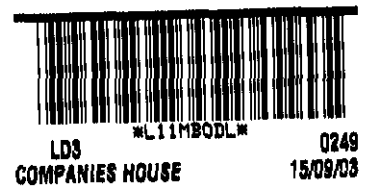
**REGISTRAR OF
COMPANIES**

**The Windsor Racecourse Company
Limited**

Report and Financial Statements

Year Ended

31 December 2002



BDO

BDO Stoy Hayward
Chartered Accountants

THE WINDSOR RACECOURSE COMPANY LIMITED

Annual report and financial statements for the year ended 31 December 2002

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Directors

I R Penrose
E C Taylor
R I Renton

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 year ended 31 December 2002

The directors present their report together with the audited financial statements for the year ended 31 December 2002.

Results and dividends

The company has not traded during the year and accordingly no profit and loss account is prepared.

The directors do not recommend the payment of a dividend (2001- £Nil).

Principal activities, trading review and future developments

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

There have been no events since the balance sheet date that materially affect the position of the company.

Directors

The directors who served during the year, were as follows, according to the register maintained by the company:

I R Penrose
E C Taylor
R I Renton

I R Penrose is also a director of the company's parent company, Arena Leisure Plc. His interests in its ordinary share capital and share options are disclosed in its financial statements.

None of the directors hold any interest in the ordinary share capital of The Windsor Racecourse Company Limited.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year 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 year. 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 year ended 31 December 2002 (*Continued*)

Auditors

BDO Stoy Hayward 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

Date

2/4/03

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 for the year ended 31 December 2002 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit 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.

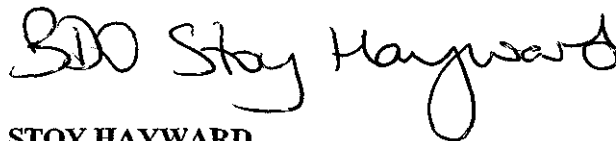
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2002 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in black ink, reading "BDO Stoy Hayward". The signature is written in a cursive, flowing style.

BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
London

2 April 2003

THE WINDSOR RACECOURSE COMPANY LIMITED

Balance sheet at 31 December 2002

	Note	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	2		8,250,000		8,250,000
Investments	3		13,832		13,832
			<u>8,263,832</u>		<u>8,263,832</u>
Current assets					
Debtors	4	312,851		312,851	
Cash at bank and in hand		-		-	
		<u>312,851</u>		<u>312,851</u>	
Net current assets			312,851		312,851
Total assets less current liabilities			8,576,683		8,576,683
Provision for liabilities and charges	5		4,317		4,317
			<u>4,317</u>		<u>4,317</u>
Net assets			<u>8,572,366</u>		<u>8,572,366</u>
Capital and reserves					
Called up share capital	6		30,000		30,000
Profit and loss account			283,393		283,393
Revaluation reserve			8,064,408		8,064,408
Other reserves			194,565		194,565
			<u>8,572,366</u>		<u>8,572,366</u>
Shareholders' funds - equity			<u>8,572,366</u>		<u>8,572,366</u>

THE WINDSOR RACECOURSE COMPANY LIMITED

Balance sheet at 31 December 2002 (*Continued*)

The company did not trade during the current or preceding period and accordingly no profit and loss account has been prepared. The company made neither a profit nor a loss nor had any other recognised gain or loss.

The directors have taken advantage of the exemption conferred by section 249AA(1) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985. The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its result for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The company, whose ultimate parent company is Arena Leisure Plc, was dormant within the meaning of section 249AA of the Companies Act 1985, throughout the financial year. Copies of the consolidated financial statements for Arena Leisure Plc are available from Companies House.

The financial statements were approved by the Board on

 2/4/03

I R Penrose
Director

The notes on pages 7 to 9 form part of these financial statements.

THE WINDSOR RACECOURSE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002

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 1 January 2002 and 31 December 2002	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 January 2002 and 31 December 2002	760	13,072	13,832

THE WINDSOR RACECOURSE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

4 Debtors

	2002 £	2001 £
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

	2002 £	2001 £
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 2002 was £4,317 (2001 - £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 year.

6 Share capital

	2002 Number	Authorised, allotted, called up and fully paid 2001 Number	2002 £	2001 £
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>

7 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.

THE WINDSOR RACECOURSE COMPANY LIMITED

Notes forming part of the financial statements for the year ended 31 December 2002 (*Continued*)

8 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.

9 Ultimate parent company

At 31 December 2002, 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, W1J 6DH.