

136-66-3

# **Arthur Prince (Turf Accountants) Limited**

## **Report and Financial Statements**

28 September 2003



Arthur Prince (Turf Accountants) Limited

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Registered No: 1367663

**Directors**

S A Jones  
Coral Nominees Limited

**Secretary**

Coral Secretaries Limited

**Auditors**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

**Bankers**

HSBC plc  
23 Ripple Road  
Barking  
Essex  
IG11 7NW

**Registered office**

Glebe House  
Vicarage Drive  
Barking  
Essex  
IG11 7NS

## Directors' report

The directors present their report and financial statements for the year ended 28 September 2003.

### Results and dividends

The loss for the year amounted to £1,866,000. The directors do not recommend the payment of any dividends.

### Principal activities and review of the business

The company operated licensed betting offices throughout the United Kingdom. With effect from 30 September 2002, the trade and assets of the company were transferred to a fellow group undertaking at net book value. The company has not traded since that date.

### Directors

The directors who served the company during the year were as follows:

S A Jones  
Coral Nominees Limited

A table giving directors' interests in the share capital of the ultimate parent undertaking, Coral Eurobet Holdings Limited, as at 28 September 2003 is shown below:

	<i>Ordinary shares 28 September 2003</i>	<i>'B' shares 28 September 2003</i>	<i>Ordinary shares 29 September 2002</i>	<i>'B' shares 29 September 2002</i>
S A Jones	120,000	13,311	120,000	12,940

S A Jones also held £465,012 of Unsecured Loan Notes 2014 of Coral Eurobet 2 Limited as at 28 September 2003 (29 September 2002 - £452,051).

### Auditors

Elective resolutions to dispense with the holding of annual general meetings, the laying of report and accounts before the company in general meeting and the annual reappointment of the auditors are currently in force. Accordingly, pursuant to section 386 of the Companies Act 1985 ("the Act") the auditors, Ernst & Young LLP, will be deemed to have been re-appointed at the end of the period of 28 days beginning with the day on which copies of this report and accounts are sent to members unless a resolution is passed under section 393 of the Act to the effect that their appointment be brought to an end.

By order of the board



For and on behalf of  
Coral Secretaries Limited  
Secretary

29 June 2004

## **Statement of directors' responsibilities in respect of the financial statements**

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.

## **Independent auditors' report**

**to the members of Arthur Prince (Turf Accountants) Limited**

We have audited the company's financial statements for the year ended 28 September 2003 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 15. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

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 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.

## **Independent auditors' report**

**to the members of Arthur Prince (Turf Accountants) Limited (continued)**

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 28 September 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
London

29 June 2004

## Profit and loss account

for the year ended 28 September 2003

	Notes	2003 £000	2002 £000
<b>Turnover</b>	2	—	145,305
Cost of sales		—	(127,139)
<b>Gross profit</b>		—	18,166
Administrative expenses		—	(10,008)
Amounts written off investments		(1,866)	—
<b>(Loss)/profit on ordinary activities before taxation</b>	3	(1,866)	8,158
Tax on (loss)/profit on ordinary activities	6	—	(2,452)
<b>(Loss)/profit retained for the financial year</b>		(1,866)	5,706

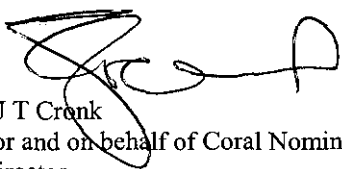
## Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £1,866,000 attributable to the shareholders for the year ended 28 September 2003 (2002 - profit of £5,706,000).

## Balance sheet

at 28 September 2003

	Notes	2003 £000	2002 £000
<b>Fixed assets</b>			
Intangible assets	7	—	6,859
Tangible assets	8	—	2,015
Investments	9	—	2,062
		<u>—</u>	<u>10,936</u>
<b>Current assets</b>			
Debtors	10	43,876	33,795
Cash at bank		—	221
		<u>43,876</u>	<u>34,016</u>
<b>Creditors:</b> amounts falling due within one year	11	(27,101)	(26,311)
<b>Net current assets</b>		<u>16,775</u>	<u>7,705</u>
<b>Total assets less current liabilities</b>		<u>16,775</u>	<u>18,641</u>
<b>Capital and reserves</b>			
Called up share capital	13	1	1
Profit and loss account	14	16,774	18,640
<b>Equity shareholders' funds</b>	14	<u>16,775</u>	<u>18,641</u>

  
 J J T Cronk  
 For and on behalf of Coral Nominees Limited  
 Director

29 June 2004



## Notes to the financial statements

at 28 September 2003

### 1. Accounting policies

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention.

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) and have not included a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement, in which the company's results are included.

#### **Intangible fixed assets**

The Company capitalises betting office licenses acquired. Licenses are not amortised as they are regarded as having indefinite lives and the directors carry out an annual review to ensure that these values are not impaired.

#### **Depreciation**

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Freehold buildings	-	50 years
Short Leasehold Property	-	over the life of the lease
Fixtures & Fittings	-	between 6 2/3 and 8 1/3 years
Motor Vehicles	-	5 years
Equipment	-	8 years

The carrying value of tangible fixed assets are reviewed where there are indications of impairment.

#### **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### **Leases**

Operating lease rentals are charged to the profit and loss account as incurred. Provision is made for future rentals where properties are not in use at the end of the period.

#### **Repairs and maintenance**

Expenditure on repairs and maintenance undertaken is charged to the profit and loss account as incurred.

### 2. Turnover

Turnover represented customers' stakes in respect of cash bookmaking transactions and net cash receipts from amusement-with-prizes machines.

The company's turnover was solely derived in the United Kingdom. Since 30 September 2002 the company has not traded.

## Notes to the financial statements

at 28 September 2003

### 3. Operating (loss)/profit

This is stated after charging/(crediting):

	2003 £000	2002 £000
Depreciation of owned fixed assets	—	398
Operating lease rentals - land and buildings	—	1,322
- plant and machinery	—	764
Betting duty	—	3,141
Horse racing and greyhound racing levies	—	1,261

### 4. Directors' remuneration

The directors of the company are also directors of other undertakings within the Coral Eurobet group of companies. The directors' remuneration for the year ended 28 September 2003 was paid by the other undertakings. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the fellow subsidiary undertakings.

Retirement benefits are accruing under the Coral Pension Plan for S A Jones.

### 5. Staff costs

	2003 £000	2002 £000
Wages and salaries	—	4,055
Social security costs	—	280
Staff pension contributions	—	243
	—	4,578

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

	2003 No.	2002 No.
Betting shop staff	—	379

## Notes to the financial statements

at 28 September 2003

### 6. Tax

(a) Tax on (loss)/profit on ordinary activities

The tax (credit)/charge is made up as follows:

	2003 £000	2002 £000
<i>Current tax:</i>		
Group relief payable	—	2,562
Total current tax (note 6(b))	—	2,562
<i>Deferred tax:</i>		
Origination and reversal of timing differences	—	(110)
Tax on (loss)/profit on ordinary activities	—	2,452

(b) Factors affecting current tax charge

The differences are reconciled below:

	2003 £000	2002 £000
(Loss)/profit on ordinary activities before taxation	(1,866)	8,158
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	(560)	2,447
Disallowed expenses and non-taxable income	560	10
Depreciation in excess of capital allowances	—	105
Total current tax (note 6(a))	—	2,562

(c) Deferred tax

	2003 £000	2002 £000
Decelerated capital allowances	—	166
Deferred taxation asset	—	166

## Notes to the financial statements

at 28 September 2003

### 6. Tax (continued)

	£000
At 30 September 2002	166
Transfer to other group companies	(166)
At 28 September 2003	—

### 7. Intangible fixed assets

	<i>Licences</i> £000
Cost:	
At 30 September 2002	6,859
Transfer to other group companies	(6,859)
At 28 September 2003	—
Amortisation	—
Net book value:	
At 28 September 2003	—
At 30 September 2002	6,859

## Notes to the financial statements

at 28 September 2003

### 8. Tangible fixed assets

	<i>Land and Buildings</i>				
	<i>Freehold land and buildings £000</i>	<i>Short leasehold property £000</i>	<i>Fixtures and fittings £000</i>	<i>Equipment £000</i>	<i>Total £000</i>
Cost:					
At 30 September 2002	1,098	433	1,570	1,184	4,285
Transfers to other group companies	(1,098)	(433)	(1,570)	(1,184)	(4,285)
At 28 September 2003	—	—	—	—	—
Depreciation:					
At 30 September 2002	13	221	1,154	882	2,270
Transfers to other group companies	(13)	(221)	(1,154)	(882)	(2,270)
At 28 September 2003	—	—	—	—	—
Net book value:					
At 28 September 2003	—	—	—	—	—
At 30 September 2002	1,085	212	416	302	2,015

### 9. Investments

	<i>Shares in subsidiary undertakings £000</i>
Cost:	
At 30 September 2002	2,062
Amounts written off on liquidation of subsidiary undertakings	(2,062)
At 28 September 2003	—
Net book value:	
At 28 September 2003	—
At 30 September 2002	2,062

Consolidated accounts have not been prepared as the company is a subsidiary undertaking of a UK parent which itself draws up consolidated accounts.

### 10. Debtors

	<i>2003 £000</i>	<i>2002 £000</i>
Amounts owed by group undertakings	43,876	33,408
Prepayments and accrued income	—	221
Deferred taxation (note 6)	—	166
	<u>43,876</u>	<u>33,795</u>

## Notes to the financial statements

at 28 September 2003

### 11. Creditors: amounts falling due within one year

	2003 £000	2002 £000
Trade creditors	–	244
Amounts owed to group undertakings	27,101	25,991
Accruals and deferred income	–	76
	<u>27,101</u>	<u>26,311</u>

### 12. Related party transactions

The company has taken advantage of FRS 8 which exempts subsidiary undertakings, 90% or more of whose voting rights are controlled within a group, from disclosing transactions with entities that are part of that group or investees of that group qualifying as related parties.

### 13. Share capital

	2003 £000	Authorised 2002 £000
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

	Allotted, called up and fully paid			
	2003		2002	
	No.	£000	No.	£000
Ordinary shares of £1 each	751	<u>1</u>	751	<u>1</u>

### 14. Reconciliation of shareholders' funds and movement on reserves

	Share capital £000	Profit and loss account £000	Total share- holders' funds £000
At 30 September 2001	1	12,934	12,935
Profit for the year	–	5,706	5,706
At 29 September 2002	<u>1</u>	<u>18,640</u>	<u>18,641</u>
Loss for the year	–	(1,866)	(1,866)
At 28 September 2003	<u>1</u>	<u>16,774</u>	<u>16,775</u>

### 15. Ultimate parent company

The company's ultimate parent undertaking is Coral Eurobet Holdings Limited, which is principally owned by funds controlled or managed by Charterhouse Development Capital Limited. It is incorporated in England and copies of its group accounts, which include the company, are available from the registered office: Glebe House, Vicarage Drive, Barking, Essex, IG11 7NS.