

FRIDAY



\*I YP2DTQ6\*

LD3

12/10/2007

264

**COMPANIES HOUSE**

6193

The assistance is for the purpose of ~~reducing or discharging a liability incurred for the purpose of that acquisition~~ † (note 1)

Please do not  
write in this  
margin

Please complete  
legibly, preferably  
in black type, or  
bold block  
lettering

The number and class of the shares acquired or to be acquired is 35,543,485 ordinary shares of £0.25  
each being the entire issued share capital of Northern Racing Limited

The assistance is to be given to (note 2) NR Acquisitions Limited (Company No 6203422)  
whose registered office is at 25 Harley Street London W1G 9BR

The assistance will take the form of

See section 1 of the attached Schedule

The person who [has acquired] ~~NR Acquisitions Limited~~ † the shares is  
NR Acquisitions Limited (company number 6203422) whose registered office  
is at 25 Harley Street London W1G 9BR

† delete as  
appropriate

The principal terms on which the assistance will be given are

See section 2 of the attached Schedule

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced  
by giving it is Nil

The amount of cash to be transferred to the person assisted is £ Nil

The value of any asset to be transferred to the person assisted is £ Nil

Please do not  
write in this  
margin

The date on which the assistance is to be given is

Within 8 weeks of the date hereof

**Please complete,  
legibly, preferably  
in black type, or  
bold block lettering**

~~X~~We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts (note 3)

\* delete either (a) or (b) as appropriate

(a) [I/We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date]\* (note 3)

(b) XXXXXXXXXXXXXXXXXXXXXXXX  
have formed the opinion that this company will be able to pay its debts.  
XXXXXXXXXXXXXXXXXXXXXXX\* (note 3)

And ~~X~~we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835

Declared at 42-43 Upper Berkeley  
Street, London W14 5QJ

Declarants to sign below

Day Month Year  
49 on 08 10 2007 Sus

before me Almanah

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths

## NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given - if a recipient is a company the registered office address should be shown
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form
- 5 The address for companies registered in England and Wales or Wales is -

The Registrar of Companies  
Companies House  
Crown Way  
Cardiff  
CF14 3UZ

or, for companies registered in Scotland -

The Registrar of Companies  
Companies House  
37 Castle Terrace  
Edinburgh  
EH1 2EB

CHFP025

## Declaration by the directors of a holding company in relation to assistance for the acquisition of shares

**155(6)b**

93

~~NR Acquisitions Limited~~  
The assistance is for the purpose of ~~reducing or discharging a liability incurred for the~~  
purpose of that acquisition] † (note 1)

Please do not  
write in this  
margin

Please complete  
legibly, preferably  
in black type, or  
bold block  
lettering

The number and class of the shares acquired or to be acquired is 35,543,485 ordinary shares of £0.25  
each being the entire issued share capital of Northern Racing Limited

The assistance is to be given to (note 2) NR Acquisitions Limited (Company No 6203422)  
whose registered office is at 25 Harley Street London W1G 9BR

The assistance will take the form of

See section 1 of the attached Schedule

~~NR Acquisitions Limited~~  
The person who [has acquired] ~~the shares~~ † the shares is

† delete as  
appropriate

NR Acquisitions Limited (company number 6203422) whose registered office  
is at 25 Harley Street London W1G 9BR

The principal terms on which the assistance will be given are

See section 2 of the attached Schedule

The amount (if any) by which the net assets of the company which is giving the assistance will be reduced  
by giving it is Nil

The amount of cash to be transferred to the person assisted is £ Nil

The value of any asset to be transferred to the person assisted is £ Nil

Within 8 weeks of the date hereof

X We have formed the opinion, as regards this company's initial situation immediately following the date on which the assistance is proposed to be given, that there will be no ground on which it could then be found to be unable to pay its debts (note 3)

(a) [I/We have formed the opinion that this company will be able to pay its debts as they fall due during the year immediately following that date)\* (note 3)

[illegible]

~~And~~ we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1835

Declared at Newcastle Race Course  
Newcastle Upon Tyne

Declarants to sign below

Day Month Year  
on 08 10 2007

before me Alan Stray

A Commissioner for Oaths or Notary Public or Justice of the Peace or a Solicitor having the powers conferred on a Commissioner for Oaths

## NOTES

- 1 For the meaning of "a person incurring a liability" and "reducing or discharging a liability" see section 152(3) of the Companies Act 1985
- 2 Insert full name(s) and address(es) of the person(s) to whom assistance is to be given, if a recipient is a company the registered office address should be shown
- 3 Contingent and prospective liabilities of the company are to be taken into account - see section 156(3) of the Companies Act 1985
- 4 The auditors report required by section 156(4) of the Companies Act 1985 must be annexed to this form
- 5 The address for companies registered in England and Wales or Wales is -

The Registrar of Companies  
Companies House  
Crown Way  
Cardiff  
CF14 3UZ

or for companies registered in Scotland -

The Registrar of Companies  
Companies House  
37 Castle Terrace  
Edinburgh  
EH1 2EB

Form 155(6)b

By Northern Races Limited (Company Number 02928971)

In respect of

High Gosforth Park Limited  
("HGPL")  
(Company No 00014667)

Section 1

The form of the assistance

- 1 The assistance will take the form of the granting of a guarantee by HGPL which inter alia guarantees the repayment of a loan to NR Acquisitions Limited which is to be used partially to repay a loan incurred by NR Acquisitions Limited to finance the acquisition by NR Acquisitions Limited of the whole of the issued share capital of Northern Racing Limited (formerly Northern Racing plc) (the "**Holding Company**"), which guarantee is secured and/or reinforced by a debenture and a legal charge granted by HGPL, all in accordance with the following -
  - 1 1 Pursuant to an agreement (the "**Facility Agreement**") of 20 August 2007 and made between amongst others NR Acquisitions Limited and the Holding Company as the borrowers ("**the Borrowers**") and The Governor and Company of the Bank of Scotland as Arranger, Agent, (the "**Agent**") Lender, Treasury Guarantor and Security Trustee for the Finance Parties (the "**Security Trustee**") the Lenders have made available a secured facility of £60,000,000 to the Borrowers as follows -
    - (a) to the Holding Company, £26,000,000 ("**Tranche A**"), and
    - (b) to NR Acquisitions Limited, £34,000,000 ("**Tranche B**")
  - 1 2 NR Acquisitions Limited is, pursuant to the Facility Agreement, permitted to use Tranche B partly to repay a loan which has been made available to NR Acquisitions Limited by TFB (Mortgages) Limited which was used to finance in part the acquisition of shares in the issued share capital of the Holding Company
  - 1 3 Pursuant to a guarantee ("**the Guarantee**") contained in the Facility Agreement, HGPL has undertaken to guarantee the obligations of NR Acquisitions Limited, including those to repay Tranche B
  - 1 4 The Guarantee contains in it a provision stating that it will not apply to any liability to the extent that it would result in the Guarantee constituting unlawful financial assistance within the meaning of Section 151 of the Companies Act 1985. The Agent has received legal advice to the effect that the Guarantee by HGPL of the repayment by NR Acquisitions Limited of Tranche B would constitute such unlawful financial assistance. Accordingly, the drawdown of Tranche B is conditional on HGPL taking action to ensure that its guarantee of the obligations by NR Acquisitions Limited to repay Tranche B would not amount to such unlawful financial assistance
  - 1 5 As a condition precedent to the continued availability of the Facility, HGPL, amongst others, had entered into
    - (a) the Facility Agreement, in which HGPL confirms that each Finance Document to which it is a party continues in full force and effect,
    - (b) a charge (the "**Debenture**") in favour of the Security Trustee pursuant to which HGPL, among other things, created fixed and floating charges over all of its property,

assets and undertaking in order to secure its obligations to the Finance Parties (as defined in the Facility Agreement), and

- (c) a legal charge (the "**Legal Charge**") in favour of the Security Trustee pursuant to which HGPL created a fixed charge over the land lying to the east and north west of the Gosforth Park Hotel, registered at Land Registry under freehold title TY232365 and all that freehold land registered at Land Registry with title number TY402043,

in each case as such document is amended, restated, varied or supplemented from time to time) (each of the Facility Agreement including the Guarantee, the Debenture and the Legal Charge being referred to as a "**Financial Assistance Document**" and together the "**Financial Assistance Documents**")

- 1 6 HGPL will assume liabilities and obligations under each Financial Assistance Document in accordance with and subject to the terms of each such document



**Form 155(6)b**

**By Northern Races Limited (Company Number 02928971)**

**In respect of**

**High Gosforth Park Limited  
("HGPL")  
(Company No 00014667)**

**Section 2**

**The principal terms of the assistance**

The principal terms on which the assistance will be given are as follows

The principal terms of each Financial Assistance Document are summarised and separately described below in relation to each individual Financial Assistance Document

Expressions defined in each Financial Assistance Document shall have the same meanings in that part of the schedule which relates to that particular Financial Assistance Document unless otherwise defined below By way of amplification (but without prejudice to the above) -

- (a) the Secured Liabilities include all sums due under the Guarantee, and
- (b) the Property includes that property known as the land lying to the east and north west of the Gosforth Park Hotel, registered at Land Registry under freehold title TY232365 and all that freehold land registered at Land Registry with title number TY402043

Clause and other document references used in each part of the schedule are to the clause and other references in that particular Financial Assistance Document to which that particular part of the schedule relates

**1 Guarantee and Facility Agreement**

Pursuant to the Guarantee and the Facility Agreement, HGPL -

- (i) guarantees to each Finance Party punctual performance by each other Obligor of all that Obligor's obligations under the Finance Documents (which includes the Guarantee by HGPL of the obligations of NR Acquisitions Limited to repay Tranche B),
- (ii) undertakes with each Finance Party that whenever another Obligor does not pay any amount when due under or in connection with any Finance Document, that it shall immediately on demand pay that amount as if it was the principal obligor, and
- (iii) indemnifies each Finance Party immediately on demand against any cost, loss or liabilities suffered by that Finance Party if any obligation guaranteed by it is or becomes enforceable, invalid or illegal The amount of the cost, loss or liability shall be equal to the amount which that Finance Party would otherwise have been entitled to recover

**2 Debenture**

Pursuant to the Debenture, HGPL confirms that its obligations under the Debenture remain in full force and effect The principal term of these obligations are as follows

- (i) HGPL undertakes to the Security Trustee for itself and as trustee for the Secured Parties that it will pay or discharge to the Security Trustee all the Secured Liabilities on demand in writing when the Secured Liabilities become due for payment or discharge (whether by acceleration or otherwise)

- (ii) HGPL with full title guarantee and as a continuing security for payment and discharge of the Secured Liabilities charges in favour of the Security Trustee by way of fixed charge all estates or interests in any freehold, leasehold or other immovable property now or hereafter belonging to it wherever situated and all buildings, erections and structures (whether in the course of construction or otherwise) and fixtures and fittings and fixed plant and machinery now or hereafter thereon and all improvements and additions thereto and with the benefit of all leases, underleases, tenancies, agreements for lease, rights, covenants, undertakings, warranties, guarantees, indemnities and conditions from time to time affecting the same (subject to the provisions hereof) but otherwise free from any Encumbrance
- (iv) HGPL with full title guarantee and as a continuing security for payment and discharge of the Secured Liabilities hereby charges in favour of the Security Trustee by way of first fixed charge -
- (a) all the goodwill and uncalled capital both present and future of HGPL (including future calls whether made by the directors of HGPL or by a receiver, administrative receiver, administrator or liquidator),
  - (b) so far as chargeable, all plant, machinery, vehicles, computers and office and other equipment of HGPL and all related spare parts, equipment, tools and fuel (excluding stock in trade) and all patents, trade marks, trade and business names, service marks, registered designs, design rights, database rights and copyrights (including any applications to any register) both present and future of HGPL together with all trade secrets and know-how, confidential or proprietary knowledge and information and all other intellectual property rights now or hereafter owned by HGPL in any country, together, in each and every case, with the benefit of any licences or other agreements relating to the use or exploitation of rights of any such nature owned by HGPL,
  - (c) all book and other debts now or at any time during the continuance of this security due or owing to HGPL and all balances now or hereafter standing to the credit of any account of HGPL with any branch or office of the Security Trustee or any other financial institution,
  - (d) so far as chargeable, all the benefit of and rights under or in respect of all contracts, agreements, deeds, undertakings, guarantees, warranties, indemnities, other documents, concessions and franchises now or hereafter entered into by or granted to or vested in or novated or assigned to HGPL (including any contract for sale of or other dealing with any of the assets hereby charged),
  - (e) all rights, titles and interest of HGPL to and in the proceeds of all present or future Insurances (including any rights of subrogation arising therefrom),
  - (f) all rights to which HGPL or its liquidator or administrator is now or may hereafter become entitled in respect of the proceeds of any order of a competent court made pursuant to sections 214, 238(3) 239(3) or 423(2) of the Insolvency Act,
  - (g) all HGPL's present and future rights to recover any value added tax on any supplies made to it and any sum so recovered,
  - (h) all the proceeds of any payment of any claim, award, judgement, sum or damages payable to HGPL and all HGPL's rights and remedies now or hereinafter in existence arising in respect thereof,
  - (i) all rental income, licence fees and any other such income and all the proceeds of sale or other disposal of any property now or hereafter owned by HGPL and

all right, title and interest to and in the same and all the benefit thereof and the right to make demand for and receive the same

- (v) HGPL with full title guarantee and as a continuing security for payment and discharge of the Secured Liabilities hereby charges in favour of the Security Trustee by way of a first floating charge all the undertaking and assets of HGPL whatsoever and wheresoever both present and future including, but not limited to, its uncalled capital for the time being, and all its heritable and moveable property and other property, assets and rights in Scotland or governed by the laws of Scotland, together with, (if and insofar as the charges thereon created in the Debenture may for any reason be ineffective as fixed charges or if and insofar as such fixed charges shall for any reason be released) all of the property, assets and rights described in Clauses 3.1 and 3.2 of the Debenture, but so that HGPL is not to be at liberty to create any mortgage or charge or other Encumbrance upon, and so that no lien shall in any case or in any manner arise on or affect any part of, its undertaking and assets either in priority to or pari passu with the charge hereby created and further that HGPL shall have no power to part with or dispose of any part of such undertaking and assets without the prior written consent of the Security Trustee
- (vi) HGPL shall execute and do all such assurances, acts and things as the Security Trustee may require for perfecting or protecting the security created by or pursuant to the Debenture over the Secured Assets or for facilitating the realisation of such assets and the exercise of all powers, authorities and discretions conferred on the Security Trustee or on any Receiver by the Debenture and shall in particular (but without limitation) promptly after being requested to do so by the Security Trustee or any Receiver, execute all assignments and transfers (in favour of the Security Trustee or any Receiver or to such nominee as either shall direct) of the Secured Assets which come into existence after the date of the Debenture and give all notices orders and directions which the Security Trustee or any Receiver may think expedient for the purposes specified in this provision
- (vii) HGPL (at its own cost) will on demand in writing by the Security Trustee execute and deliver in such form as the Security Trustee may require -
  - (a) a legal mortgage, standard security or other fixed security over HGPL's freehold, leasehold, heritable or other property, and/or
  - (b) a fixed charge or assignment in security of any Secured Asset subject to a floating charge under Clause 3.3, and/or
  - (c) a chattel mortgage over such chattels, plant and machinery as the Security Trustee may specify,
  - (d) and HGPL will do and concur in all such other acts or things as the Security Trustee may deem necessary to vest in the Security Trustee title to all or any of the Secured Assets

### **3 Legal Charge**

Pursuant to the Legal Charge, HGPL confirms that its obligations under the Legal Charge to which it is a party remain in full force and effect

The principal terms of the Legal Charge are

- (i) HGPL undertakes to the Security Trustee for itself and as trustee for the Secured Parties that it will pay or discharge to the Security Trustee all the Secured Liabilities on demand in writing when the Secured Liabilities become due for payment or discharge (whether by acceleration or otherwise)

- (ii) HGPL with the full title guarantee (to the full extent of each and every interest HGPL has in the same) charges as security for the Secured Liabilities
- (a) By way of legal mortgage the Property,
  - (b) By way of fixed charge all buildings and other structures on, and items fixed to, the Property,
  - (c) By way of fixed charge any goodwill relating to the Property or the business or undertaking conducted at the Property,
  - (d) By way of fixed charge all plant, machinery and other items affixed to and forming part of the Property on or at any time after the date of this Charge,
  - (e) By way of assignment the Rental Sums together with the benefit of all rights and remedies of HGPL relating to them to hold to the Security Trustee absolutely subject to redemption upon repayment of the Secured Liabilities,
  - (f) By way of fixed charge the Property Insurance Proceeds, and
  - (g) By way of floating charge all unattached plant, machinery, chattels and goods now or at any time after the date of this Charge on or in or used in connection with the Property or the business or undertaking conducted at the Property

as a continuing security to the lender for the Secured Liabilities



# GERALD EDELMAN

CHARTERED ACCOUNTANTS

BUSINESS ADVISERS AND TAX CONSULTANTS

**AUDITORS' REPORT TO THE DIRECTORS OF  
NORTHERN RACES LIMITED ("THE COMPANY")  
PURSUANT TO  
SECTION 156(4) OF THE COMPANIES ACT 1985**

We have examined the attached statutory declaration of the directors of the Company dated 8 October 2007 in connection with the proposal that the Company should give financial assistance for the purchase of shares in the Company

## **Basis of Opinion**

We have enquired into the state of the Company's affairs in order to review the bases for the statutory declaration

## **Opinion**

We are not aware of anything to indicate that the opinion expressed by the directors in their declaration as to any of the matters mentioned in section 156(2) of the Companies Act 1985 is unreasonable in all the circumstances

**GERALD EDELMAN**

Date, 8 October 2007

25 HARLEY STREET LONDON W1G 9BR T +44 (0)20 7299 1400 F +44 (0)20 7299 1401  
EDELMAN HOUSE 1238 HIGH ROAD LONDON N20 0LH T +44 (0)20 8492 5600 F +44 (0)20 8492 5601  
E [gemail@geraldedelman.com](mailto:gemail@geraldedelman.com) [www.geraldedelman.com](http://www.geraldedelman.com)

M HARRIS FCA C R BURNS FCA CTA R H KLEINER FCA N SUMMER FCA B HOFFMAN FCCA FABRP  
H J WALLIS FCA D A CONVISSE FCA D B ATKINSON FCA S H ROSENBERG ACA S P COLEMAN ACA A C SHAH FCCA  
ASSOCIATE D S PATEL FCCA CONSULTANTS G W THOMAS CERT PFS J FELLFRMAN LLB HONS M FIALKO FCA CTA

REGISTERED TO CARRY ON AUDIT WORK AND REGULATED FOR A RANGE OF INVESTMENT BUSINESS ACTIVITIES BY  
THE INSTITUTE OF CHARTERED ACCOUNTANTS IN ENGLAND AND WALES