

**Touche
Ross**

Deloitte Touche
Tohmatsu
International



Company Registration No. 2928971

NORTHERN RACING LIMITED
(formerly Mawlaw 247 Limited)

Report and Financial Statements

Period from 13 May 1994 to 31 December 1994

**Touche Ross & Co.
Colmore Gate
2 Colmore Row
Birmingham
B3 2BN**





DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the period from incorporation on 13 May 1994 to 31 December 1994.

PRINCIPAL ACTIVITY

The principal activity is that of a holding company.

BUSINESS REVIEW AND FUTURE PROSPECTS

The company was incorporated on 13 May 1994 under the name of Mawlaw 247 Limited. Its name was changed to Northern Racing Limited on 16 June 1994.

During the period, the company acquired 100% of the ordinary share capital of High Gosforth Park Limited, which operates Newcastle Racecourse.

Subsequent to the period end, Northern Racing Limited has also become the parent company of Uttoxeter Leisure and Development Company Limited, the operator of Uttoxeter Racecourse.

Both investments are progressing well and the directors look forward to continued success in the future.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend. The loss for the period of £76,274 forms the deficit on the profit and loss account.

DIRECTORS AND THEIR INTERESTS

The following were directors of the company during the period since incorporation.

S W Clarke	(appointed 6 July 1994)
C C A Glossop	(appointed 6 July 1994)
P E Doona	(appointed 6 July 1994)
S C Fadil	(resigned 6 July 1994)
J K Oldale	(resigned 6 July 1994)

None of the directors had any interests in the shares of the company or its subsidiaries. The relevant interest of Mr Clarke in the shares of the ultimate parent company are disclosed in that company's directors' report.

AUDITORS

Touche Ross & Co., who were appointed during the period, have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

P. Doona.

P E DOONA

Secretary

11 April 1995



STATEMENT OF 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 as at the end of the financial period 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
- state whether applicable accounting standards have been followed
- 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. 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.



Chartered Accountants

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2 Colmore Row
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AUDITORS' REPORT TO THE MEMBERS OF

NORTHERN RACING LIMITED (formerly Mawlaw 247 Limited)

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1994 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and Registered Auditors

11 April 1995



PROFIT AND LOSS ACCOUNT
Period from 13 May 1994 to 31 December 1994

	Note	£
Administrative expenses		<u>13,746</u>
OPERATING LOSS		(13,746)
Interest payable	3	<u>(62,528)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(76,274)
Tax on loss on ordinary activities	4	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD	10	<u><u>(76,274)</u></u>

All activities derive from continuing operations.

There are no recognised gains or losses other than the loss for the financial period. Accordingly, no statement of total recognised gains and losses is given.



BALANCE SHEET
31 December 1994

	Note	£	1994 £
FIXED ASSETS			
Investment	5		3,533,570
CURRENT ASSETS			
Debtors	6	95,465	
CREDITORS: amounts falling due within one year	7	(554,159)	
NET CURRENT LIABILITIES			(458,694)
TOTAL ASSETS LESS CURRENT LIABILITIES			3,074,876
CREDITORS: amounts falling due after more than one year	8		(2,000,000)
NET ASSETS			<u>1,074,876</u>
CAPITAL AND RESERVES			
Called up share capital	9		1,151,150
Profit and loss account	10		(76,274)
EQUITY SHAREHOLDERS' FUNDS	11		<u>1,074,876</u>

These financial statements were approved by the Board of Directors on 13th February 1995
Signed on behalf of the Board of Directors

P. Doona.

P E DOONA

Director



NOTES TO THE ACCOUNTS
Period to 31 December 1994

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging £1,000 auditors' remuneration. The directors received no remuneration. There are no other employees.

3. INTEREST PAYABLE

	13 May 1994 to 31 December 1994 £
Interest on bank overdraft and loan	56,412
Interest on loan stock	6,116
	<hr/> 62,528 <hr/>

4. TAXATION

No tax charge arises because of the loss for the period. There are losses available to carry forward against profits arising from the same activity of approximately £76,000.

5. INVESTMENT

The investment represents the cost of acquiring 100% of the ordinary share capital of High Gosforth Park Limited during the period. The share capital and reserves of High Gosforth Park Limited at 31 December 1994 were £3,278,650 and its loss for the period then ended was £113,940. The principal business of High Gosforth Park Limited is the promotion of race meetings at Newcastle Race Course.

The company is registered in England and Wales. The directors consider that the investment is worth at least the amount stated in its accounts, as shown above.



NOTES TO THE ACCOUNTS
Period to 31 December 1994

6. OTHER DEBTORS

	1994 £
Amounts due from subsidiary	70,000
VAT recoverable	25,465
	<u>95,465</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994 £
Bank overdraft	243,871
Unsecured redeemable loan notes	292,226
Other creditors - income tax payable	1,529
Accruals	16,533
	<u>554,159</u>

The unsecured redeemable loan notes are repayable on demand at any time after 30 June 1995. The bank overdraft is unsecured.

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1994 £
Bank loan repayable	
Within two to five years	1,200,000
After five years	800,000
	<u>2,000,000</u>

The bank loan is subject to an interest rate based on LIBOR. The loan is payable by equal annual instalments over five years commencing September 1997. The loan is secured by a personal guarantee from Mr S W Clarke, a director.

9. CALLED UP SHARE CAPITAL

	1994 £
Authorised	
780,000 'A' ordinary shares of £1 each	780,000
420,000 'B' ordinary shares of £1 each	420,000
	<u>1,200,000</u>
 Allotted and fully paid	
747,500 'A' ordinary shares of £1 each	747,500
403,650 'B' ordinary shares of £1 each	403,650
	<u></u>



NOTES TO THE ACCOUNTS
Period to 31 December 1994

10. PROFIT AND LOSS ACCOUNT

	£
Loss for period since incorporation on 13 May 1994	(76,274)

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994 £
Loss for the financial period	(76,274)
Ordinary shares issued	1,151,150
Closing shareholders' funds	1,074,876

12. POST BALANCE SHEET EVENT

On 13 January 1995, 32% and 60% of the share capital of Uttoxeter Leisure and Development Company Limited was transferred to Northern Racing Limited from St Modwen Properties plc and Stanley Clarke Leisure Limited, respectively.

Subsequent to the period end, the security on the £2,000,000 bank loan has changed from a personal guarantee from S W Clarke to a fixed charge over the investment in High Gosforth Park Limited.

13. ULTIMATE PARENT COMPANY

The ultimate parent company is Stanley Clarke Leisure Limited which is registered in England and Wales. Copies of the report and accounts of Stanley Clarke Leisure Limited are available from the registered office at Lyndon House, 58/62 Hagley Road, Edgbaston, Birmingham B16 8PE.