

Company Registration No 00014667 (England and Wales)

HIGH GOSFORTH PARK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2008



HIGH GOSFORTH PARK LIMITED

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HIGH GOSFORTH PARK LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2008

The directors present their report and financial statements for the period ended 31 March 2008

The company's accounting reference date was changed from 31 December to 31 March

Principal activities and review of the business

The principal activity of the company continued to be that of operation of a racecourse, under Jockey Club and National Hunt Rules at Newcastle Racecourse, and management of an owned estate including the Parklands Golf Course

Results and dividends

The results for the period are set out on page 5

Directors

The following directors have held office since 1 January 2007

S W Clarke	(Resigned 22 June 2007)
R G Street	(Resigned 30 June 2008)
A B Kelly	
J H S Marris	(Resigned 31 July 2007)
D C Williamson	(Resigned 10 September 2007)
J Harrington	(Appointed 31 January 2008)
S Nahum	(Appointed 1 August 2007)
P O'Driscoll	(Appointed 1 August 2007)

Auditors

Gerald Edelman were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 that disclose with reasonable accuracy at any time the financial position of the company and 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

HIGH GOSFORTH PARK LIMITED

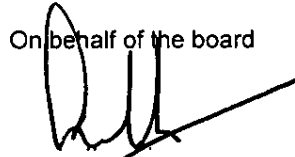
DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



A B Kelly
Director

28 July 2008

HIGH GOSFORTH PARK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF HIGH GOSFORTH PARK LIMITED

We have audited the financial statements of High Gosforth Park Limited for the period ended 31 March 2008 set out on pages 5 to 17. These financial statements have been prepared under 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 the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

HIGH GOSFORTH PARK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF HIGH GOSFORTH PARK LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



Gerald Edelman

28 July 2008

Chartered Accountants
Registered Auditor

25 Harley Street
London
W1G 9BR

HIGH GOSFORTH PARK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MARCH 2008

	Notes	Period ended 31 March 2008 £	Year ended 31 December 2006 £
Turnover	2	7,842,501	5,843,510
Cost of sales		(5,029,662)	(3,680,900)
Gross profit		2,812,839	2,162,610
Administrative expenses		(2,121,813)	(1,189,063)
Operating profit	3	691,026	973,547
Investment income	4	320	440
Profit on ordinary activities before taxation		691,346	973,987
Tax on profit on ordinary activities	5	316,884	(251,272)
Profit for the period	16	1,008,230	722,715

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

Note of historical cost profits and losses

	Period ended 31 March 2008 £	Year ended 31 December 2006 £
Reported profit on ordinary activities before taxation	691,346	973,987
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	11,866	9,493
Historical cost profit on ordinary activities before taxation	703,212	983,480
Historical cost profit for the period retained after taxation, extraordinary items and dividends	1,020,096	732,208

HIGH GOSFORTH PARK LIMITED

BALANCE SHEET

AS AT 31 MARCH 2008

	Notes	2008 £	£	2006 £	£
Fixed assets					
Intangible assets	6	163,441		179,216	
Tangible assets	7	10,682,159		9,746,025	
		<u>10,845,600</u>		<u>9,925,241</u>	
Current assets					
Stocks	8	81,142		8,745	
Debtors	9	7,792,869		5,933,830	
Investments	10	1,188		1,188	
Cash at bank and in hand		128,031		364,380	
		<u>8,003,230</u>		<u>6,308,143</u>	
Creditors' amounts falling due within one year	11	(6,085,836)		(3,475,468)	
Net current assets		<u>1,917,394</u>		<u>2,832,675</u>	
Total assets less current liabilities		<u>12,762,994</u>		<u>12,757,916</u>	
Creditors: amounts falling due after more than one year	12	(234,971)		(921,239)	
Provisions for liabilities	13	(30,874)		(347,758)	
		<u>12,497,149</u>		<u>11,488,919</u>	
Capital and reserves					
Called up share capital	15	90,960		90,960	
Revaluation reserve	16	2,405,709		2,417,575	
Other reserves	16	-		1,955	
Profit and loss account	16	10,000,480		8,978,429	
Shareholders' funds	17	<u>12,497,149</u>		<u>11,488,919</u>	

Approved by the Board and authorised for issue on 28 July 2008

A B Kelly
Director

J Harrington
Director

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable directly and indirectly from race meetings plus other miscellaneous income from the use of the racecourse facilities

Income is recognised at the time of the event, unless it is more appropriate to take it over the period of the agreement, such as rental and deferred income. Income receivable from the sale of media rights to Attheraces is taken to income when quantifiable

1.4 Purchased goodwill

Purchased goodwill are shown at cost. Acquired goodwill is written off in equal instalments over its estimated useful economic life of 25 years

1.5 Purchased racing fixtures

Purchased racing fixtures are shown at cost. Purchased racing fixtures is written off in equal instalments over its estimated useful economic life of 20 years

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	over 50 years
Plant and machinery	10%-20%
Assets under construction	10%-20%
Motor vehicles	25%

Freehold property is carried at modified cost, not amended since the valuation in 1995 as permitted by FRS 15 "Tangible Fixed Assets"

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

1 Accounting policies

(continued)

1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.9 Stock

Stock is valued at the lower of cost and net realisable value.

1.10 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

1.11 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.12 Period of account

Due to the change of accounting reference date, the financial statements have been prepared for a period of fifteen months to 31 March 2008. The comparatives are for twelve months to 31 December 2006.

1.13 Share based payments

The company operated share option programme, prior to acquisition by NR Acquisitions Limited, which allowed employees to acquire shares of the pre acquisition parent company, Northern Racing Plc. The fair value of options granted after 7 November 2002 and those not vested as at 31 December 2006 was recognised as an employee expense with a corresponding increase in equity. The fair value was measured at grant date and spread over the period during which the employee become unconditionally entitled to the options. The fair value of the options granted was measured using an option pricing model. As a result of acquisition by NR Acquisitions Limited this scheme has been discontinued with shares under the scheme being acquired at fair value by NR Acquisitions Limited.

1.14 Capital credits

The Horserace Betting Levy Board (HBLB) provides revenue grants to racecourses to support the holding of a race meeting.

A racecourse can elect in advance to convert the revenue to capital credits which can be drawn down to meet approved project expenditure or to meet repayment of HBLB loans. Revenue grants are taken to profit and loss account as turnover to match related costs of holding the race meeting. Capital credits are recognised as income when the related race meeting is held and when recoverable against the repayment of HBLB loan or expenditure on approved capital projects.

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit	2008 £	2006 £
Operating profit is stated after charging		
Amortisation of intangible assets	15,775	12,456
Depreciation of tangible assets	516,570	369,023
Operating lease rentals	-	27,023
Fees payable to the company's auditor for the audit of the company's annual accounts	5,000	12,000
	<u>5,000</u>	<u>12,000</u>

4 Investment income	2008 £	2006 £
Income from shares in group undertakings	<u>320</u>	<u>440</u>

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

5	Taxation	2008 £	2006 £
	Domestic current year tax		
	U K corporation tax	-	243,115
	Adjustment for prior years	-	(50,666)
	Current tax charge	-	192,449
	Deferred tax		
	Origination and reversal of timing differences	(316,884)	16,964
	Deferred tax adjustments arising in previous periods	-	41,859
		(316,884)	58,823
		(316,884)	251,272
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	691,346	973,987
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006 - 30.00%)	207,404	292,196
	Effects of		
	Non deductible expenses	161,881	52,539
	Capital allowances	(105,311)	(16,963)
	Capital credits	(102,964)	(82,527)
	Adjustments to previous periods	-	(50,666)
	Tax losses available	(160,914)	-
	UK dividend income	(96)	(134)
	Reduced rate relief	-	(2,538)
	Other timing differences	-	542
		(207,404)	(99,747)
	Current tax charge	-	192,449

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

6 Intangible fixed assets

	Purchased goodwill	Purchased racing fixtures	Total
	£	£	£
Cost			
At 1 January 2007 & at 31 March 2008	61,500	200,000	261,500
Amortisation			
At 1 January 2007	12,300	69,984	82,284
Charge for the period	3,280	12,495	15,775
At 31 March 2008	15,580	82,479	98,059
Net book value			
At 31 March 2008	45,920	117,521	163,441
At 31 December 2006	49,200	130,016	179,216

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

7 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Assets under construction	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2007	11,019,802	1,166,865	33,749	32,845	12,253,261
Additions	1,276,635	176,069	-	-	1,452,704
Transfer	33,749	-	(33,749)	-	-
Disposals				(10,038)	(10,038)
At 31 March 2008	12,330,186	1,342,934	-	22,807	13,695,927
Depreciation					
At 1 January 2007	1,735,004	739,387	-	32,845	2,507,236
On disposals	-	-	-	(10,038)	(10,038)
Charge for the period	396,594	119,976	-	-	516,570
At 31 March 2008	2,131,598	859,363	-	22,807	3,013,768
Net book value					
At 31 March 2008	10,198,588	483,571	-	-	10,682,159
At 31 December 2006	9,284,798	427,478	33,749	-	9,746,025

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery £
Net book values	
At 31 March 2008	180,266
At 31 December 2006	23,105
Depreciation charge for the period	
At 31 March 2008	19,204
At 31 December 2006	1,987

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

7 Tangible fixed assets (continued)

The liability of the leased asset included in fixtures, fittings and equipments, is included in Northern Races Limited accounts, the immediate parent company

The freehold land building included above at valuation could alternatively be stated at a cost of £9,268,221 (2006 £8,782,472) with accumulated depreciation of £2,257,272 (2006 £1,915,618) The property was valued on 31 December 1995 at open market value on the basis of existing use by the directors The value of land not depreciated is £1,453,202 (2006 £1,453,202)

8 Stocks	2008 £	2006 £
Finished goods and goods for resale	81,142	8,745

9 Debtors	2008 £	2006 £
Trade debtors	617,100	173,796
Amounts owed by group companies	6,118,165	5,435,395
Other debtors	555,682	222,589
Prepayments and accrued income	501,922	102,050
	7,792,869	5,933,830

10 Current asset investments	2008 £	2006 £
Other unlisted investments	1,188	1,188

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

11 Creditors: amounts falling due within one year	2008 £	2006 £
Bank loans and overdrafts	381,808	-
Net obligations under finance leases	5,018	5,018
Trade creditors	716,870	373,720
Amounts owed to group companies	2,017,465	1,044,238
Corporation tax	798,272	797,025
Other taxes and social security costs	135,639	37,783
Other creditors	747,624	771,995
Accruals and deferred income	1,283,140	445,689
	<u>6,085,836</u>	<u>3,475,468</u>
 12 Creditors amounts falling due after more than one year	 2008 £	 2006 £
Other loans	229,953	911,203
Net obligations under finance leases	5,018	10,036
	<u>234,971</u>	<u>921,239</u>
 Analysis of loans		
Wholly repayable within five years	911,203	1,609,953
	<u>911,203</u>	<u>1,609,953</u>
Included in current liabilities	(681,250)	(698,750)
	<u>229,953</u>	<u>911,203</u>
 Net obligations under finance leases		
Repayable between one and five years	10,036	15,054
Included in liabilities falling due within one year	(5,018)	(5,018)
	<u>5,018</u>	<u>10,036</u>

The loans and overdraft of the Group are secured by a legal charge over the racecourse properties. An unlimited guarantee exists across the group for the liabilities of the same.

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

13 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 January 2007	347,758
Profit and loss account	(316,884)
Balance at 31 March 2008	<u>30,874</u>

The deferred tax liability is made up as follows

	2008 £	2006 £
Accelerated capital allowances	<u>30,874</u>	<u>347,758</u>

14 Pension and other post-retirement benefit commitments

Defined contribution

	2008 £	2006 £
Contributions payable by the company for the period	<u>10,417</u>	<u>8,317</u>

15 Share capital

	2008 £	2006 £
Authorised		
120,000 Ordinary Shares of £1 each	<u>120,000</u>	<u>120,000</u>
Allotted, called up and fully paid		
90,960 Ordinary Shares of £1 each	<u>90,960</u>	<u>90,960</u>

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

16 Statement of movements on reserves

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2007	2,417,575	1,955	8,978,429
Profit for the period	-	-	1,008,230
Transfer from revaluation reserve to profit and loss account	(11,866)	-	11,866
Capital contributions from parent	-	(1,955)	1,955
Balance at 31 March 2008	2,405,709	-	10,000,480

Capital contributions from parent

Balance at 1 January 2007	1,955
Movement during the period	(1,955)
Balance at 31 March 2008	-

17 Reconciliation of movements in shareholders' funds

	2008 £	2006 £
Profit for the financial period	1,008,230	722,715
Movements on other reserves	-	1,805
Net addition to shareholders' funds	1,008,230	724,520
Opening shareholders' funds	11,488,919	10,764,399
Closing shareholders' funds	12,497,149	11,488,919

18 Financial commitments

At 31 March 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2009

	Other 2008 £	2006 £
Operating leases which expire		
Within one year	6,303	3,754
Between two and five years	13,457	23,269
	19,760	27,023

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2008

19 Directors' emoluments	2008	2006
	£	£
Emoluments for qualifying services	<u>104,967</u>	<u>78,449</u>

20 Employees

Number of employees

The average monthly number of employees (including directors) during the period was

2008	2006
Number	Number
<u>37</u>	<u>39</u>

Employment costs

	2008	2006
	£	£
Wages and salaries	1,034,427	785,644
Social security costs	91,769	73,150
Other pension costs	10,417	8,317
Share based payments	-	1,805
	<u>1,136,613</u>	<u>868,916</u>

21 Control

The immediate parent company is Northern Races Limited and the ultimate UK parent company is NR Acquisitions Topco Limited. During the period NR Acquisitions Limited, a subsidiary of NR Acquisitions Topco Limited, acquired the entire share capital of Northern Racing PLC, (now Northern Racing Ltd), the former ultimate parent company.

NR Acquisitions Topco Limited prepares group financial statements and copies can be obtained from Companies House. The ultimate parent company is Landal Worldwide Corp a company registered in the British Virgin Islands.

22 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by ultimate parent company.