

Company Registration No 00014667 (England and Wales)

HIGH GOSFORTH PARK LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2010

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HIGH GOSFORTH PARK LIMITED

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HIGH GOSFORTH PARK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report and financial statements for the year ended 31 March 2010

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 year are set out on pages 5 to 6

Directors

The following directors have held office since 1 April 2009

J Harrington
A B Kelly
S Nahum
P O'Driscoll

Auditors

The auditors, Gerald Edelman, are deemed to be reappointed under section 487(2) of the Companies Act 2006

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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

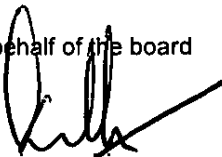
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

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

8th October 2010

HIGH GOSFORTH PARK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HIGH GOSFORTH PARK LIMITED

We have audited the financial statements of High Gosforth Park Limited for the year ended 31 March 2010 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

HIGH GOSFORTH PARK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF HIGH GOSFORTH PARK LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



S P Coleman (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

8th October 2010

Chartered Accountants
Statutory Auditor

25 Harley Street
London
W1G 9BR

HIGH GOSFORTH PARK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Turnover	2	6,892,424	6,154,070
Cost of sales		(3,849,275)	(3,587,543)
Gross profit		3,043,149	2,566,527
Administrative expenses		(2,260,300)	(2,140,338)
Operating profit	3	782,849	426,189
Investment income	4	-	480
Other interest receivable and similar income	4	-	10
Profit on ordinary activities before taxation		782,849	426,679
Tax on profit on ordinary activities	5	-	30,874
Profit for the year	14	782,849	457,553

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

HIGH GOSFORTH PARK LIMITED

PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

Note of historical cost profits and losses

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Reported profit on ordinary activities before taxation	782,849	426,679
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	9,493	9,493
Historical cost profit on ordinary activities before taxation	<u>792,342</u>	<u>436,172</u>
Historical cost profit for the year retained after taxation, extraordinary items and dividends	<u>792,342</u>	<u>467,046</u>

HIGH GOSFORTH PARK LIMITED

BALANCE SHEET

AS AT 31 MARCH 2010

	Notes	2010 £	2009 £
Fixed assets			
Intangible assets	6	138,529	150,990
Tangible assets	7	10,293,583	10,388,871
		<u>10,432,112</u>	<u>10,539,861</u>
Current assets			
Stocks	8	139,433	110,714
Debtors	9	7,055,993	7,847,322
Investments	10	1,188	1,188
Cash at bank and in hand		1,781,816	396,473
		<u>8,978,430</u>	<u>8,355,697</u>
Creditors: amounts falling due within one year	11	<u>(5,672,992)</u>	<u>(5,940,856)</u>
Net current assets		<u>3,305,438</u>	<u>2,414,841</u>
Total assets less current liabilities		<u>13,737,550</u>	<u>12,954,702</u>
Capital and reserves			
Called up share capital	13	90,960	90,960
Revaluation reserve	14	2,386,723	2,396,216
Profit and loss account	14	11,259,868	10,467,526
Shareholders' funds	15	<u>13,737,551</u>	<u>12,954,702</u>

Approved by the Board and authorised for issue on

8th October 2010

A B Kelly
Director

J Harrington
Director

Company Registration No. 00014667

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

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%
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"

1.7 Investments

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

1.8 Stock

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

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies

(continued)

1.9 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 year they are payable.

1.10 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.

1.11 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.

2 Turnover

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

3 Operating profit

	2010	2009
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	12,461	12,451
Depreciation of tangible assets	455,943	472,104
Fees payable to the company's auditor		
- Audit fees	5,000	5,000
- Accounts	1,000	1,000
- Tax	1,000	1,000
and after crediting		
Profit on disposal of tangible assets	1,420	-

4 Investment income

	2010	2009
	£	£
Income from shares in group undertakings	-	480
Bank interest	-	10
	-	490

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

5	Taxation	2010	2009
		£	£
	Current tax charge	-	-
	Deferred tax		
	Deferred tax charge/credit current year	-	(30,874)
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	782,849	426,679
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	219,198	119,470
	Effects of		
	Non deductible expenses	99,689	137,953
	Capital allowances	(49,874)	(53,281)
	Tax losses utilised	(269,013)	(204,008)
	UK dividend income	-	(134)
		(219,198)	(119,470)
	Current tax charge	-	-

6	Intangible fixed assets	Purchased goodwill	Purchased racing fixtures	Total
		£	£	£
	Cost			
	At 1 April 2009 & at 31 March 2010	61,500	200,000	261,500
	Amortisation			
	At 1 April 2009	18,040	92,470	110,510
	Charge for the year	2,460	10,001	12,461
	At 31 March 2010	20,500	102,471	122,971
	Net book value			
	At 31 March 2010	41,000	97,529	138,529
	At 31 March 2009	43,460	107,530	150,990

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

7 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 April 2009	12,441,351	1,410,585	22,807	13,874,743
Additions	346,340	14,534	-	360,874
Disposals	-	(13,200)	-	(13,200)
At 31 March 2010	12,787,691	1,411,919	22,807	14,222,417
Depreciation				
At 1 April 2009	2,481,598	981,467	22,807	3,485,872
On disposals	-	(12,981)	-	(12,981)
Charge for the year	343,572	112,371	-	455,943
At 31 March 2010	2,825,170	1,080,857	22,807	3,928,834
Net book value				
At 31 March 2010	9,962,521	331,062	-	10,293,583
At 31 March 2009	9,959,753	429,118	-	10,388,871

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

	Plant and machinery £
Net book values	
At 31 March 2010	123,456
At 31 March 2009	164,903
Depreciation charge for the year	
At 31 March 2010	17,637
At 31 March 2009	15,363

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

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 £9,868,196 (2009 £9,521,856) with accumulated depreciation of £2,968,901 (2009 £2,634,822) 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	2010 £	2009 £
Finished goods and goods for resale	<u>139,433</u>	<u>110,714</u>

9 Debtors	2010 £	2009 £
Trade debtors	1,467,396	583,845
Amounts owed by parent and fellow subsidiary undertakings	4,584,507	6,184,438
Other debtors	497,178	563,522
Prepayments and accrued income	<u>506,912</u>	<u>515,517</u>
	<u>7,055,993</u>	<u>7,847,322</u>

10 Current asset investments	2010 £	2009 £
Other unlisted investments	<u>1,188</u>	<u>1,188</u>

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

11 Creditors: amounts falling due within one year	2010 £	2009 £
Bank loans and overdrafts	-	587,964
Net obligations under finance leases	-	5,018
Trade creditors	1,329,603	735,800
Amounts owed to parent and fellow subsidiary undertakings	2,414,610	3,115,238
Taxes and social security costs	264,376	94,727
Other creditors	163,024	291,428
Accruals and deferred income	1,501,379	1,110,681
	<u>5,672,992</u>	<u>5,940,856</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.

12 Pension and other post-retirement benefit commitments Defined contribution

	2010 £	2009 £
Contributions payable by the company for the year	<u>13,012</u>	<u>11,057</u>

13 Share capital	2010 £	2009 £
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 YEAR ENDED 31 MARCH 2010

14 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2009	2,396,216	10,467,526
Profit for the period	-	782,849
Transfer from revaluation reserve to profit and loss account	-	9,493
Depreciation written back	(9,493)	-
Balance at 31 March 2010	<u>2,386,723</u>	<u>11,259,868</u>

15 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial year	782,849	457,553
Opening shareholders' funds	<u>12,954,702</u>	<u>12,497,149</u>
Closing shareholders' funds	<u>13,737,551</u>	<u>12,954,702</u>

16 Employees

Number of employees

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

	2010 Number	2009 Number
	<u>30</u>	<u>34</u>

Employment costs

	2010 £	2009 £
Wages and salaries	885,985	866,940
Social security costs	77,550	73,971
Other pension costs	13,012	11,057
	<u>976,547</u>	<u>951,968</u>

HIGH GOSFORTH PARK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

17 Control

The immediate parent company is Northern Races Limited and the ultimate UK parent company is NR Acquisitions Topco Limited. 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.

18 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 the ultimate parent company.

HIGH GOSFORTH PARK LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2010

	Year ended 31 March 2010 £	Year ended 31 March 2009 £
Administrative expenses		
Wages and salaries (excl NI)	885,985	866,940
Employer's NI contributions	77,550	73,971
Staff pension costs	13,012	11,057
Staff training	6,600	5,343
Management charges	838,000	763,000
Insurance	48,698	48,403
Printing, postage and stationery	49,807	50,672
Advertising	151,830	142,168
Telephone	20,434	20,208
Computer running costs	12,390	9,050
Motor running expenses	-	14,350
Travelling expenses	14,735	16,098
Entertaining - allowable	644	562
Legal and prof fees - allowable	25,325	57,379
Audit fees	7,393	5,377
Bank charges	13,334	10,173
Sundry expenses - allowable	95,983	45,587
Profits/losses on disp of tangibles	(1,420)	-
	<u>2,260,300</u>	<u>2,140,338</u>