


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

155(6)b

* Fontwell Park (Holdings) Limited ("the Company")



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12/10/2007

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COMPANIES HOUSE

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DX 242 LONDON/CHANCERY LANE
(Ref LKCS/49264 00154)

The assistance is for the purpose of ~~NR Acquisitions Limited~~ (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

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 ~~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 Garden, W1H 5QS

Declarants to sign below

on

Day	Month	Year
27	09	2007

before me Sharon Renter

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

Declarants to sign below






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

Fontwell Park (Holdings) Limited (Company No 00072813)

In respect of

The Fontwell Park Steeplechase Limited
("FPSL")
(Company No 00193627)

Section 1

The form of the assistance

- 1 The assistance will take the form of the granting of a guarantee by FPSL 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 FPSL, 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, FPSL 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 FPSL 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 FPSL 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, FPSL, amongst others, had entered into
 - (a) the Facility Agreement, in which FPSL 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 FPSL, 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 FPSL created a fixed charge over all that freehold land known as Fontwell Park Racecourse, Arundel Road, Fontwell, Near Bognor Regis, West Sussex BN18 0SX registered at Land Registry with title number WSX219074,

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**")

- 16 FPSL 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

Fontwell Park (Holdings) Limited (Company No 00072813)

In respect of

**The Fontwell Park Steeplechase Limited
("FPSL")
(Company No 00193627)**

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 Fontwell Park Racecourse, Arundel Road, Fontwell, Near Bognor Regis, West Sussex BN18 0SX registered at Land Registry with title number WSX219074

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, FPSL -

- (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 FPSL 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, FPSL confirms that its obligations under the Debenture remain in full force and effect. The principal term of these obligations are as follows

- (i) FPSL 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) FPSL 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) FPSL 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 FPSL (including future calls whether made by the directors of FPSL 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 FPSL 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 FPSL 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 FPSL 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 FPSL,
 - (c) all book and other debts now or at any time during the continuance of this security due or owing to FPSL and all balances now or hereafter standing to the credit of any account of FPSL 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 FPSL (including any contract for sale of or other dealing with any of the assets hereby charged),
 - (e) all rights, titles and interest of FPSL to and in the proceeds of all present or future Insurances (including any rights of subrogation arising therefrom),
 - (f) all rights to which FPSL 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 FPSL'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 FPSL and all FPSL'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 FPSL 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) FPSL 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 FPSL 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 FPSL 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 FPSL 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) FPSL 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) FPSL (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 FPSL'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 FPSL 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, FPSL 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) FPSL 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) FPSL with the full title guarantee (to the full extent of each and every interest FPSL 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 FPSL 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
FONTWELL PARK (HOLDINGS) 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 27 September 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, 27 September 2007

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